

1865. Do you find many or any irregularities when making these inspections of offices or breweries, distilleries or tobacco manufactories?—Very few latterly. Since 1872 in the Windsor district there has not been a dollar lost to the Government on goods in bond. I have had no cases of fraud. There has not been much trouble with the distilleries for some years.

1866. The duties of the officers placed in charge of the distilleries or other manufactories are of a most important character. Have you reasons to believe that these duties are faithfully performed, and what check have you over them?—The duties are very important; I think they are faithfully performed. Great care is taken in selecting the men for these positions, and their fitness is duly ascertained. The collector of the division is the most effective check on the performance of duty.

1867. All these men have to pass an examination; do you think that system secures better and more reliable men for the Service, and do you attribute the improvement you have mentioned to this cause?—All are required to pass an examination since 1868 or 1869. I think that plan secures better men; we could not do without some system of testing the capabilities of the men. The examination has become gradually more practical and more difficult. In very few cases have men, who passed first-class examinations, failed to be what we expected of them. There is no case known to me in which an officer with a low rating, or who failed in his examination, has been of any practical use. I am myself a member of the Board of Examiners. All inspectors are ex-officers and members of the Board.

*By Mr. Mingaye:*

1868. Will you please give an idea of what the probable loss might be to the revenue in a brewery or distillery, if an ignorant or inefficient officer were employed there?—It is not easy to say. I would as soon trust the brewer or distiller to send in the returns himself as have an inefficient officer on the premises.

1869. Is a collector of Inland Revenue answerable to the Government for the moneys collected by him, and does he give security?—Yes; I understand that he is, and gives security.

1870. Has an inspector of Inland Revenue a supervision over the moneys received by the collector of his district?—To the extent of checking the amounts received by him and seeing that the money is properly remitted.

1871. If a collector failed to account for the moneys received by him on revenue account, is it part of an inspector's duties to suspend him, and notify the Department at once?—I consider it my duty to do so; and have suspended two for that cause.

1872. If an inspector failed to do so, and either through connivance or negligence allowed the default to run on, would he be held answerable jointly with the collector for the sums of money in default?—Yes; I think so.

1873. Does an inspector of Inland Revenue give security to the Government for the due performance of his duties?—He does.

1874. Is it probable that a person appointed as collector from the Outside Service, and therefore unacquainted with his work, could command the respect of his subordinates, effectually protect the revenue, and carry on the business of the division in a proper manner?—Not by any means.

1875. Have you any cases in which collectors have been appointed outside the Service, and placed there over the heads of old and faithful officers?—Not at present in my district.

1876. Do not all such appointments, where an officer is passed over, who is entitled to promotion by long services and efficiency, have an injurious effect on the whole Service?—Yes; it has.

*By the Chairman:*

1877. Have all the inspectors passed their examinations?—No; I believe two district inspectors have not passed, and two others have but third-class rating.

*By Mr. Mingaye:*

1878. 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?—It would, by all means.

*By Mr. Barbeau :*

1879. Do these inspectors who have not passed an examination ever act on the Board of Examiners, to grant certificates?—They have acted on the Board.

1880. Do you consider them competent to act as such examiners?—Certainly not.

1881. Your inspection extends to the books and accounts. Is the system, in your opinion, calculated to prevent fraud and speculation?—Yes; I think so.

1882. Do you find that the bill stamps kept on hand in your district are stored in safe places?—As far as I remember, the collectors of Inland Revenue have not sold any bill stamps for some time, although they are supplied with a stock. Should there be any demand, of course it is my duty to see this stock is what it is represented to be; it is usually sealed up and kept in a bank vault.

*By the Chairman :*

1883. Will you be good enough to state your opinion as to the existing system of warehousing exciseable goods. Whether it involves any danger of loss to the revenue; whether it is a necessity, and whether you can suggest any improvement?—I do not think there is any danger of any loss to the revenue under the existing system.

*By Mr. Barbeau :*

1884. What do you think of keeping the Excise warehouses separate from those of the Customs. Is it attended with an equal benefit to the country and to the public?—I think it would be very desirable to have them separated. I have found it on inspection exceedingly inconvenient to await the convenience of the customs lockers to give me admittance to the warehouses, and the goods being mixed up with those of the customs, caused me considerable delay and trouble. I have often been forced to remain over night and till noon the following day in consequence of not having control of the keys of the warehouse, that I might check them in the evening. I have remedied this in my district; and at present there is not any goods subject to Excise duty stored in any Customs warehouse. I think the advantages to the public arising out of the system of separating the warehouses more than counterbalances the cost of the separation.

1885. What is your opinion of private warehouses?—Public warehouses for goods on removal or transfer would be very much better.

1886. If Government warehouses were erected so that the goods stored therein would be exclusively under its control, would it be, in your opinion, of a nature to prevent the frauds which have often happened in private warehouses?—No doubt it would.

*By Mr. Minzaye :*

1887. Does not the mixing of Customs and Inland Revenue goods cause misunderstanding between the two Departments, create confusion in the placing of the goods, in consequence of the divided authority caused by such a system?—It has been the cause of considerable bickering and ill-feeling that would not otherwise have existed.

*By the Chairman :*

1888. How is the staff within the scope of your inspection; is it efficient, or have you any men who from any cause are unfit for duty, and who might with benefit to the Service be dispensed with?—I do not think the staff is at present numerically equal to its task. At least three additional men are required, one at each of the two larger distilleries, and one in the Windsor division. I think the existing staff are efficient for the duties assigned them; as we make it a point to put men into places for which they are fitted.

*By Mr. Barbeau :*

1889. Have you had occasion to reprimand or suspend any of the officers in your district for dereliction of duty; and have you found it difficult to remove an inefficient clerk?—I have suspend several officers. Of two collectors whom I suspended

neither was allowed to resume duty again; one was dismissed and one superannuated. Neither had any standing in the Service. I have suspended five Excise officers; three for intoxication, and two for neglect of duty; all of them were dismissed. There was one case in which an officer I suspended was reinstated; it was a first offence by a new man who had been misled.

*By the Chairman :*

1890. Has the advance in the duties of excise made it necessary for the protection of the revenue to exercise greater vigilance in the supervision of manufactures?—Yes; I do not think that the officers of twelve years ago would be now competent to discharge the duty and protect the revenue. The duty in spirits has increased about 600 per cent.; and therefore the temptation to deceive the officers is increased.

1891. Are the salaries paid in proportion to the duties performed, that is, are any men in a lower rank doing the work which should belong to a higher, or vice versa?—As a rule the men perform the work for which they are best fitted. In the more important surveys the salaries are not proportioned to the duties and responsibilities. The duty accruing on a single day's work where an officer is stationed in some cases amounts to ten times his annual salary.

1892. Can you always count upon some of the junior clerks in the Service in your district to fill the vacancies occurring in the higher grades?—Not till they have a couple of years' experience and training with special class excisemen.

*By Mr. Mingay :*

1893. What do you understand by junior clerks in the previous question?—I mean the later additions to the Service. I find that the length of time officers are in the Service is not a reliable measure of efficiency. Much depends on where they are stationed, and also, much depends on the efficiency of the collectors under whom they are placed.

1894. Is the Commission to understand that there are positions in your service which, if vacant, could not be filled by the promotion of officers now in the Service?—I do not think there is one such; and a great many of them might be advantageously filled by subordinates, even the offices of some of the present inspectors.

*By Mr. Tilton :*

1895. Has it ever happened that a man who passed a very creditable examination has made an inefficient officer?—No, not an inefficient officer; but a few have become very indolent.

*By the Chairman :*

1896. How is the discipline in your district, and what means do you adopt for enforcing or imposing penalties when necessary?—The discipline is very good, generally. I trust the means of enforcing discipline to the collectors, giving them directions to report all derelictions; and I have reason to think they do their duty. The penalty is generally the forfeiture of salary for some period. I think it is a very good means of enforcing discipline.

1897. Are the officers required to keep diaries in the manner prescribed by the departmental regulations, and what is your opinion as to the utility of their doing so?—They are required to keep them; and I look on them as very valuable, generally.

1898. From your experience, could you suggest any means by which the efficiency and economy of your Service might be improved?—I think that if the system lately adopted of paying salaries based on classification and efficiency, and making promotions within the Service, is continued, that the present efficiency will be maintained, and might be advanced. I think that two instead of three districts in Ontario would be sufficient, providing that all the collectors were up to the standard.

*By Mr. Brunel :*

1899. What is your opinion as to the advisability of exchanging Excise officers from one part of the Dominion to another, with a view to obtaining greater uniformity in the administration of the Excise laws and a more equitable collection of the excise taxes?—I think it would be a very desirable thing to do, and a great deal of good would result from it. The officers so exchanged, if of the special class, would

have a very beneficial effect in divisions, and even districts, to which they were removed. Officers are frequently exchanged within the scope of my survey. I think it has a salutary effect on manufacturers to know that an officer is subject to removal at any time.

The Commission adjourned at 6 p.m.

### DEPARTMENT OF PUBLIC WORKS.

Mr. F. BAILLARGÉ, Deputy Minister of Public Works, examined:

*By the Chairman :*

1900. You are Deputy Minister for the Department of Public Works? How long have you been in the Service and held your present position?—Have been in the Service since 22nd September, 1844; I was appointed Deputy Minister of Public Works on 4th October, 1879.

1901. How are first appointments made in your Department?—Since the new Department of Public Works has been constituted, some of the officers of the former Department have been appointed by Order in Council to the offices they now hold, and others have been appointed from outside the Service by Order in Council.

1902. Do you know whether they have had to produce any evidence as to age, health, or moral character?—So far as regards the transfer from one Department to another, the Minister made special enquiry respecting the competency, age, and, in doubtful cases, respecting the moral character of each. For the case of persons appointed, and not in the Service, he had already in his possession the necessary recommendations and certificates as to competency and moral character.

1903. Do you know whether there was any examination before being appointed or any condition as to probationary service; what were the ages of those appointed from the outside?—All parties appointed from the outside were first employed, for a certain time, as probationary clerks to ascertain their competency to fill the positions to be assigned to them, after which some were appointed permanently to the offices intended for them, and others are still on probation. The ages vary from 32 to 34.

1904. For what length of time did those who are now permanently appointed serve as probationary clerks?—The officers here referred to were on probation, say about a month, before they were finally appointed; for the reason that they had special qualifications when they first entered.

1905. Are you aware of the conditions in the Civil Service Act of 1863 regulating the admission of candidates, and do you consider, if that Act had been strictly adhered to, that the Service would be benefitted by it as regards efficiency and economy?—I am aware of these conditions, and I believe that they have not been observed so far as regards the requirement of an examination before the Civil Service Board for the admission of candidates. Such an examination as the one referred to by the Act is not, in my opinion, sufficient to test the ability and qualifications of the officers required in the various branches of the Department of Public Works.

1906. You believe, then, in the advisability of an examination for candidates, having in view the duties which they have to perform in the Service generally?—Yes; providing that such an examination is made by the officers of the Department wherein the candidates wish to be employed, that is to say, by the Head of each branch of the Department. In the Public Works Department it is essential in each branch that candidates should be conversant with both languages. Were I to examine any candidate for the Department of Public Works I would give him a paper to translate from English to French, and another from French to English, respecting matters to be dealt with in the particular branch wherein he applied for employment, besides which I would put such questions as might be necessary to test his other qualifications.

1907. Have you given any consideration to the methods followed in Great Britain, France and Belgium, and studied the question with a view of applying the

same system in Canada, as far as practicable, *mutatis mutandis*?—I have given it very little consideration; although I am generally aware what the methods are, I do not consider that such methods are desirable so far as the Public Works Department is concerned.

*By Mr. Brunel:*

1908. Referring to your answer to a previous question, how would you determine who should be admitted to the examinations therein mentioned?—If the course followed in the past is to be the same in the future, we would deal only with persons named or recommended for examination by the Minister.

*By the Chairman:*

1909. How are promotions regulated in your Department; by seniority or merit?—So far only by merit, tested by officers of the Department.

1910. When vacancies occur in the better positions, do you consider that promotion thereto should be made from the ranks of those already in the Service, in preference to the appointment being conferred on some one from the outside world?—I have no hesitation in stating that in such cases the vacancies should be filled by officers in the Department, providing they are competent, and if not, from the outside. In our Department there are situations which would have to be filled by parties from the outside, such as the offices of the chief engineer and the chief architect.

1911. Are there not appointments made sometimes from the outside to lower positions than those you have named; has not this a tendency to discourage and make those in the Service less efficient?—Cases of such a nature have not occurred as yet in the Department of Public Works.

*By Mr. Brunel:*

1912. Do you think the present system of nomination to office for political considerations is calculated to secure as efficient public officers as might be had if political considerations were eliminated?—It is immaterial in my opinion whether such a system is continued or not, providing the candidates to the Civil Service employment in our Department are subjected to the examination before referred to by me in my answer to one of the previous questions.

*By Mr. Barbeau:*

1913. Has the Civil Service Act of 1868 been observed in your Department?—Not as regards examination of candidates before the Civil Service Board.

1914. What is the longest term of probation served by employés in your Department?—Some have been on probation for, say five years, that is to say, four years in the previous and one year in the present Department.

1915. To what do you attribute this unusually long term? Is it caused by the incapacity of the candidate?—In the former Department the persons on probation in the cases referred to could not be dispensed with; and were continued because they proved to be efficient officers. They would have been permanently appointed if there had been any vacancy in the permanent staff, or if the Minister had been at liberty to increase the staff.

1916. Does the present system of making appointments expose you to employ incompetent persons?—No inconvenience has been experienced as yet in that respect.

1917. Can you always count upon some of the subordinates in the service of your Department for promotion to higher grades when vacancies occur there?—Yes; in all the branches of the Department, excepting, as regards, the chief engineer, chief architect and superintendent of telegraph and signal service.

1918. If a clerk, at any time after his appointment, prove idle, and fail to perform the duties assigned to him in a satisfactory manner, would you have any difficulty in obtaining his removal?—In such cases, the Minister suspends or authorizes me to suspend the officer and to stop payment of his salary, until such time as he is convinced of the idleness, incompetency, or unfaithfulness of such officer. If he is proved to be guilty, he is dismissed.

*By Mr. Tilton :*

1919. Is the chief architect, and the staff which is permanently employed under him, paid from the Civil Government appropriation of the Public Works Department?—The chief architect alone is paid out of the Civil Government appropriation. His subordinates are not permanently employed; and they are paid out of the appropriation for the various buildings for which they are employed.

1920. Are the salaries of the persons referred to in the previous question subject to superannuation deduction?—None but that of the chief architect.

1921. Is it not the fact that some of them have been for years in the employ of the Department?—Yes; from five to twenty-one years, as regards the former departmental officers transferred to the present Department.

1922. Do you not think that persons having continuous employment in this branch of your Department should be classed as Civil Service employes, be charged superannuation, and borne upon the Civil Government pay-list of the Department?—I do not consider it would be advisable to classify all the subordinates on the chief architect's staff. It would be desirable, however, that his chief assistant and draughtsman should be permanently appointed.

1923. Please state the particular duties of the chief architect's staff, and under what heading the respective pay of each member appears in the Public Accounts?—They have to prepare plans, specifications and estimates, under the direction of the chief architect, for the various public buildings for which parliamentary grants are made. Their salaries are charged partly to the appropriation for Public Works generally, and partly to the buildings for which their services have been required. The names of the clerks comprising this staff appear on monthly pay-lists which are paid through James W. Harper, the paymaster of the Department. The amounts paid appear, for year 1878-79, in Public Accounts under the following services:—

• Public Buildings generally, folio 248, Part II, J. W. Harper....	\$5,352 00
General Penitentiary, Maritime Provinces, folio 249, Part II, J. W. Harper.....	785 07
Public Buildings generally, folio 255, Part II, J. W. Harper....	3,036 00
	\$9,173 07

*By Mr. White :*

1924. Are there any other persons employed in the Department of Public Works at Ottawa, besides the staff of the chief architect, whose salaries do not appear in the Public Accounts, and who are not considered as members of the permanent Civil Service?—There are extra clerks who are employed from time to time whose salaries would not appear, probably, in the Public Accounts. This, however, I am unable to speak of with positiveness, inasmuch as the Department has been in operation for only about one year.

*By Mr. Brunel :*

1925. Have you not several employes in your Department who have been for many years in the Service at regular pay, but whose names are not to be found or traced in the Public Accounts?—As regards the present Department, this question will be answered by the Public Accounts when published, this being the first year of its existence. There are, no doubt, many officers employed as extra clerks or otherwise, in the chief engineer's branch especially, and also in that of the chief architect and superintendent of telegraphs and signal service, whose names are not likely to appear in the Public Accounts, because they are paid from the appropriations for the various works on which they are engaged.

*By the Chairman :*

1926. Will you state your opinion as to the present system of grading the officers and clerks, and whether the classification should be reduced?—Having considered this matter fully, I am of opinion that the present classification should be left as it is.

1927. Have you any officers or clerks who are unfit for service from ill-health or any other course?—There is but one officer, I believe, who has reached the age of

superannuation. Another of our officers has been suspended a short time on account of absence from his duties owing to inebriate habits.

1928. What is your opinion of the present system of annual increments of salary by process of time?—I am in favour of the present system providing the increase is granted to officers deserving it. I would refuse it to officers neglecting their duties.

1929. Is it not the fact that, as a rule, the increment of salary is given irrespective of the ability of the clerk or the manner in which he performs his duties?—As regards the present Department of Public Works, the Minister ordered me to omit from the list of persons entitled to annual increase one of the officers who had neglected his duties owing to absence without leave for several days. With respect to the former Department I am not in a position to give any decisive opinion having been employed most of the time on works outside of the Department.

1930. Have you a number of temporary clerks employed in some branches of your Department, and do you consider their employment desirable, that is as regards your Inside Service?—We have such extra clerks in the various branches of the Department and could not dispense with them. It would be desirable that some of those clerks should be permanently employed. As regards the others we engage them as occasion may require, especially for the preparation of the annual report, the parliamentary estimates and returns called for by the House of Commons.

*By Mr. White:*

1931. Would it not be practicable so to organize your Department as to render temporary employment for long periods unnecessary?—This is quite practicable as regards copying clerks, but we have very few of these. The other extra-clerks generally have special qualifications, and the longer they remain in the various branches to which they are attached the more proficient they become.

*By Mr. Barbeau:*

1932. Would you furnish us with the average cost per year which your Department pays for advertisements, and the number of journals in which these appear?—1st. The amount paid during fiscal year 1879-80, being first year the Department of Public Works is in existence, for advertising, is \$1,643.00; 2nd. Number of newspapers in which the above advertisements appear, 88. 1880-81—Amount paid quarter, 30th September, 1880, \$1,554.12; number of papers, 54.

The Commission adjourned at 6 p.m.

TUESDAY, 26th October. 1880.

Mr. BAILLARGE's examination continued:—

*By the Chairman:*

1933. Is the nature of the work in your Department, especially in your Outside Service, of a technical nature, requiring special qualifications on the part of the officers employed?—The most of it is of a technical nature, requiring special qualifications, inasmuch as the Outside Service consists of surveys, laying out or estimating works in connection with buildings, breakwaters, telegraph lines, bridges, etc. The officers in the Department who are employed under the chief architect and engineer also require special qualifications for works of the same nature.

1934. Do you consider that you have attached to your Department any unnecessary branch or office, the work of which could be done in one of the more important branches or offices?—I consider that the office of paymaster should be placed under the chief accountant, and not form a separate office as at present.

*By Mr. Tilton:*

1935. Please state how the Department of Public Works is placed in funds to meet its current expenditure, how such funds are disbursed, and by whom official cheques are signed?—In the first place, the Department is authorized by Order in Council to expend the parliamentary grants, or such other sums as may be found indispensable. The works are ordered to be done chiefly by contract, excepting repairs or minor

works. The monthly estimates or accounts certified by the proper officer are afterwards sent in, examined and ordered to be paid by the accountant, who issues a certificate in favor of the contractor or otherwise. These go to the Auditor-General with a copy of the estimates, pay-rolls or accounts, as the case may be. If the latter is satisfied he orders payment on the bank. In cases of petty accounts for payment of extra clerks, and purchase of articles which cannot be supplied through the stationery office, etc., etc., the accountant pays the same by means of bank cheques, signed by the Deputy-Minister, and countersigned by him. In cases respecting the payment of the outside staff of laborers working in connection with dredging, and repairs done by day's labor, a credit is placed by the Finance Department to the Deputy-Minister, who draws upon the same to meet the requirements just referred to, the cheques being signed by him and countersigned by the accountant.

*By Mr. Mingaye :*

1936. Have you an officer in your Department called the mechanical superintendent?—What are his duties, and do they require special qualifications?—We have such an officer; his duties prior to the organization of the present Department of Public Works were connected with the machinery and apparatus required in the various public buildings for heating and gas-lighting, etc. When such machinery was required to be constructed or repaired, the matter was referred to the officer in question, whose duty it was to prepare plans and estimates for the work and afterwards to execute the same when ordered. Since the new Public Works Department has come into existence the mechanical engineer has been relieved of all buildings excepting those at the seat of Government, so far as the gas and heating services are concerned; but, on the other hand, he has been placed in charge of all machinery for dredging. The officer employed for such service must have special qualifications of a high standard—such as those possessed by the person now in charge of the mechanical engineering of the Department.

1937. Does this officer's salary appear in the Public Accounts?—No; for the reason that up to the present time this officer has not been placed on the permanent staff of the Department. His salary, together with the salaries of the officers and men employed under him, are either charged to the appropriation for "Heating Public Buildings" or to the "Dredge Service," or such other work in connection with which their services are required.

1938. Is it not a fact that he has the ordering of large quantities of supplies and material connected with the heating of public buildings throughout the Dominion, including the heating and ventilation of the Houses of Parliament and the public buildings at Ottawa, and also connected with the putting up of new furnaces in all public buildings?—Such may have been the case prior to the existence of the present Department. The mechanical engineer, as I stated before, is no longer in charge of buildings beyond the capital. No officer connected with the heating, lighting, or repairs to public buildings, or otherwise, is now allowed to purchase materials without previous application to and permission by the Department.

1939. Are not large sums of money dependent upon his properly looking after the working of dredges as superintendent, both as to wages or material or otherwise?—Yes; sufficiently so to require careful control by the Department.

1940. Does such officer participate in the benefits of the Superannuation Act?—He does not, for the reason that he has not been placed hitherto on the permanent staff.

1941. Do you think this officer and other similarly situated officers might be made permanent, and participate in the benefits of superannuation?—I do.

*By Mr. Tilton :*

1942. Referring to your answer to a previous question, as to the mode of making payments, do you consider the system of issuing certificates preferable to paying by departmental cheque?—I consider it safer for the Government, although it may be the cause of some delay to the public, for the reason that it takes several days to pay by certificate, whereas payment by cheque may be made on the day of presentation or the following day. Payments made by certificates through the Auditor-General are



safer, inasmuch as this officer is obliged specially to exercise constant watchfulness respecting the expenditure made chargeable to the various appropriations of Parliament in order to prevent any over expenditure not authorized by Parliament or Order of Council.

*By Mr. Mingay :*

1943. Does not this system of certificates at times act unjustly towards some parties or others? It does in some cases. The Auditor-General endeavors to pass the certificates as speedily as possible in the first place; but these frequently have to be sent to the bank which holds powers of attorney for considerable number of contractors, public officers and others. If the party entitled to receive money is absent, and neglects to notify the bank where he is, or if the bank neglects to notify him that it has received a certificate in his favor, several days or weeks may elapse before payment is made.

*By Mr. White :*

1944. With reference to your reply to a former question it would appear that, in your Department, payment is made by Department cheque for articles which are in other Departments paid for by the Accountant of Contingencies; can you say if this is the case?—My answer, as previously given, refers chiefly to articles purchased for the Outside Service, these being charged to the various special appropriations.

*By Mr. Tilton :*

1945. Is it not the fact that the powers of attorney to which you have referred are rendered chiefly necessary by the issuing of certificates?—It is.

*By Mr. Barbeau :*

1946. Are the books of account of your department ever inspected by the auditor, and has he ever suggested any change in the mode of keeping them?—Not that I am aware of.

1947. Is the attendance of your employes regular, and what means have you of enforcing it?—As much so as can be expected. Each officer must mark the time of his arrival in a book kept for that special purpose. If he absents himself, or arrives too late, he is notified, and suspended when necessary.

1948. Are any of the officers or clerks in your department engaged in business outside, and for which they receive payment?—No person.

1949. How are travelling expenses regulated and accounted for?—With respect to the Heads of the various branches of the Department, the practice has been to allow them \$3.50 per day for hotel expenses, exclusive of travelling expenses; certain officers in the Department and on the Outside Service, such as engineers and surveyors, are allowed \$35 per month and their subordinates \$25 per month. The various officers are expected to show the nature of their expenditure for the above purposes in monthly accounts, giving dates, names of places, etc.

*By Mr. Brunel :*

1950. Will you be good enough to explain how the employment of the extra clerks and others mentioned in the schedule furnished by you, and who are not on the permanent staff, is authorized?—Invariably by the Minister.

1951. Then, are those extra clerks not such as are referred to by the Civil Service Act, and whose employment, except by special Orders in Council, is prohibited?—Some of them are draughtsmen, and the rest of them are employed in connection with works in progress, to the appropriations for which their salaries are charged.

1952. Have you considered the operation of the Superannuation Act? If so, please state your opinion as to whether it is productive of economy in the Public Service or the reverse, and whether it operates fairly with reference to the civil servants?—I think it is beneficial to all officers of the Civil Service, that it is productive of economy, and that it operates fairly with reference to such officers.

1953. Has there been any case of superannuation in the Department of Public Works, as now constituted?—None as regards the officers—only one case, that of the Chief Messenger, on account of very old age.

1954. Have you the records, or any part of them, of the Department of Public Works, as it formerly existed, from which a statement of any superannuations under that order can be obtained?—Most of the records and plans connected with the various services under the new Department of Public Works have been transferred from the Department of Railways and Canals.

1955. Can you have prepared for the Commission a statement showing, so far as the affairs of the former Public Works Department have passed under your control, the effect of the Superannuation Act upon the cost of administering that part of the Public Service?—This may be done, probably, in the course of the present week. (*See Appendix O.*)

The Commission adjourned at 5:30 p.m.

WEDNESDAY, 27th October, 1880.

MR. H. F. PERLEY, Chief-Engineer, Public Works Department, examined:—

*By the Chairman :*

1956. What is your position in the Department of Public Works; how long have you been in the Service in your present position, and please to state to the Commission the duties which you have to perform?—I am Chief-Engineer; have been in the Service since January, 1871. Have been in present position since 1st January, 1880. My present duties are to take charge of all the engineering works of the Department that relate to harbors and rivers. There is no fixed routine of duty, my services being likely to be called for at any time.

1957. Are the duties which the officers under your supervision have to perform mostly of a technical character?—Entirely so. My assistants must, of course, be engineers.

1958. How are these officers appointed; is there any examination as to age, moral character or capacity?—These officers are appointed by the Minister of Public Works; selected by himself for their fitness for the duties they have to perform. I suppose their characters are taken for granted; but they are not subjected to any examination. I presume the Minister knows from their previous record what their experience has been.

1959. Then you have to accept such officers as are found for you in this manner?—Yes; that is the case.

1960. Do you find that they are efficient and capable of performing the duties which they are called upon to perform?—Yes.

1961. Were you for some years Superintending Engineer of Public Works in the Maritime Provinces? While in that position were the officers appointed in the same manner as now?—I was in that position for eight years. The assistants I had were of my own choice; they were with me during the whole of that period.

1962. Is it your opinion that the system of employing officers followed by you in the Maritime Provinces was better than the one now pursued—more likely to secure efficient and capable officers?—Yes; if the same system were pursued here as was pursued in the past, under which I had the power of selecting my own assistants, I think it would be more satisfactory to me.

*By Mr. Brunel :*

1963. Is the Mechanical Engineer a member of your staff, or in any way subject to your control?—He is under my control to a certain extent; he has charge of the dredges of the Department now working in Quebec and Ontario; and that work is under my direction. He is placed at my orders when his services are required, by order of the Minister; and he is then entirely subject to my control.

1964. By the return placed before the Commission it appears that your assistant has been in the Service eighteen years at a monthly salary. Will you please state your opinion as to whether such an arrangement is preferable to an appointment on the staff of the Department?—Men should always be placed on a permanent footing

in the Department when their services are worth anything. My assistant has not been engaged in any engineering work under my control.

1965. Do you hold the same opinion with reference to the draughtsmen who appear to have been employed upwards of eight years at a per diem rate of pay?—Yes; I hold the same opinion.

*By Mr. White:*

1966. How many employes are there in your office at head-quarters; by whom are they appointed; and are they on the permanent staff of the Department?—There are but four attached to my office at head-quarters—the mechanical superintendent, the chief draughtsman, the assistant draughtsman, and one clerk. All are temporary appointees, and paid by the day. They have been some years in the Department.

1967. If not on the permanent staff, how are their salaries paid?—They are not paid on any regular pay-list, but their salaries are paid out of appropriations for particular works. I simply certify the correctness of their accounts, and have no knowledge of what appropriations they are charged to.

1968. Do you see any objection to placing all these men on the permanent staff of your Department?—I see no objection.

*By the Chairman:*

1969. What is the practice in respect of the letting of contracts and making payments for contract work?—Our contracts are let by tender duly advertised for. The tenders are submitted to the Minister, having been previously opened by the Deputy, and myself, or the Secretary in the absence of the Deputy. As a rule, the lowest tender, if satisfactory, takes the contract. Payments are generally made once a month; the work having been inspected by a local assistant, and the estimates certified by myself. They then pass into the hands of the accountant, and out of my control. Payments are made by cheque from the Finance Department, sent to the Department of Public Works.

1970. You have said that the contracts are awarded to the lowest, if satisfactory. Do you mean that the Department requires to be satisfied as to the ability of the lowest tenderer to carry out the contract before it is awarded?—Yes.

1971. Have you not a large staff in the Maritime Provinces; will you please state the works in which they are at present engaged?—We have an engineer in charge of the harbor works and river improvements, who has an assistant and a clerk; and a superintendent of dredges and a clerk. The engineer has charge of the work under contract, and also charge of the works that are being carried on under days' labor; also the making of surveys and examinations for new works, or reporting on old works for extension and improvement. The superintendent of dredges has charge of the dredging operations and pays all the men employed. None of these men are on the permanent staff.

*By Mr. Tilton:*

1972. You have stated that for several years you were in charge of extensive public works in the Lower Provinces. Will you please state the mode adopted in making the payments connected with such works, by whom the funds for such payments were received, whether by cheques or credits, and how accounted for?—The works I had charge of were of two classes. Those under contract were paid direct by cheque from the Department, but not through me. In other cases I made payments directly myself. Up to the 1st July, 1879, the Finance Department placed cash to my credit for such works, and I paid directly by my own cheque. After 1st July amounts were placed in the Bank of Montreal to the joint credit of myself and the local auditor. I drew all the cheques and he countersigned them. The last system was the most satisfactory to me because it relieved me from all responsibility for cash, the cheques issued being *quasi* official. The next step was to submit to the Department the vouchers for the expenditure covering the amount authorized for the works. Under the last system a cheque appears for every voucher. This system exists still in the Lower Provinces.

1973. Have you ever experienced any difficulty as a result of making the direct payments by cheques referred to in your last answer, and will you be good enough to state whether, in your opinion, delays that at times entail serious inconveniences for contractors, might not be avoided by abolishing the issuing of certificates for payments?—To the first part of the question I would say I have never heard of any ill results arising from the method of payment mentioned. To the second part I would say, I think it is desirable to abolish the system of payments by certificates. By certificates here I mean the certificate or warrant issued by the accountant.

*By Mr. Brunel :*

1974. How are the engineers and superintendents in charge of contracts and of days' labor, to which you have referred, employed, and by whom are they selected?—They are employed from month to month temporarily, and are selected by the Minister.

1975. Do you have much work performed which has not been placed under contract?—Yes. In Prince Edward Island the vote for works is \$18,400, of which \$5,400 is done by days' labor. In Nova Scotia the vote is \$34,220, of which \$19,970 is for days' labor. In New Brunswick the amount voted is \$26,950, of which \$5,950 is done by days' labor. The vote for general repairs in the Maritime Provinces is \$10,000, and all that may be done by days' labor. In Quebec the vote is \$37,000, of which \$26,500 is done by days' labor. The vote for general repairs for Quebec is \$10,000, all which will be done by days' labor. In Ontario the vote is \$78,350, of which \$15,350 will be done by days' labor. The vote for general repairs in Ontario is \$6,000, all of which will be spent by days' labor. The vote for dredging in Ontario is \$8,000, and is expended by days' labor. The vote for dredging in Quebec is \$20,000, and the same rule applies. The vote for dredging in the Maritime Provinces is \$42,000, which is expended in like manner. There is also a vote for miscellaneous works of \$10,000, which will necessarily be expended by days' labor. The maintenance of piers below Quebec costs \$11,000, which is expended by days' labor. Also, the repairs of the St. Maurice works and the Saguenay slides.

1976. How are the people on such work employed, and how is material or machinery supplied?—In the case of a new work, application is generally made to the Member for the County, if in accord with the Government, to nominate a foreman, and his nomination is generally accepted. This foreman receives his instructions relative to the work he has to do, and the nature and quantity of the materials he has to purchase; and to follow the instructions of the Member as to purchases, and as to the employment of labor.

1977. Are these men usually selected with reference to their fitness and ability, and are they as a rule the best that could be had for the purpose?—In some cases they are not.

1978. What is your opinion as to the economy of having dredging done by days' labor as compared with letting contracts by the yard, or at a specific sum for the accomplishment of a specified result?—My experience is that work is done for about one-half what a contractor would ask for it, that is, where the appropriations for a work are not large.

*By the Chairman :*

1979. What is your practice as regards travelling expenses of yourself and staff?—All actual travelling expenses are paid by the Department, and accounts are rendered in detail. An allowance for hotel expenses of from \$1.50 to \$3.50 per diem is made in addition to moving expenses.

1980. How is the discipline in your branch and what penalty do you inflict for any breaches thereof?—The discipline is good; immediate dismissal is the penalty.

1981. Do you require your officers to keep diaries in the performance of their duty?—No; but they are required to report regularly.

1982. Have you in your employment any officers who from any cause are not well fitted to perform their duties, and whose services might advantageously be dispensed with?—The whole of my staff is temporary; and the places of some could be

filled by others whose knowledge and attainments being greater, would be of benefit to the works under my charge.

1983. Are the salaries which are paid proportionate to the duties, that is, fairly graded?—No; they are not. All are paid at the same rate, except one in the Lower Provinces, who should be paid more.

*By Mr. Tilton :*

1984. You have stated that you are of the opinion that persons who are employed continuously in the Department should be on the permanent staff. Do you not consider that this is specially desirable in the cases of the assistant engineer in the Department and other high-class officials?—I do consider it especially desirable. At present the whole of the staff is temporary, and may be discharged at any time. By having permanent assistants the Department would have men conversant with all the works done under the departmental control, and, with the experience thus gained, they would be better able to take charge of other works. I only refer to the employment of three assistants.

*By Mr. Mingage :*

1985. Is it not a hardship to the superior officers holding the highest positions mentioned by you, and who are not permanent officers, that by such a system they cannot partake in the benefits of the Superannuation Act?—I do consider it a hardship.

The Commission adjourned at 6 p.m.

THURSDAY, 28th October, 1880.

Mr. T. S. SCOTT, Chief Architect of Public Works Department, examined;—

*By the Chairman :*

1986. What is your position in the Service and how long have you held your present appointment?—Am the Chief-Architect, and have been in my present position since 1871.

1987. Will you please state the duties which you have to perform, and how many have you under your supervision and who are responsible to you?—I have all the local architects in the various cities and towns of the Dominion; also the various clerks of the works there are in the Outside Service. In the Inside Service there is a staff of sixteen persons under my control, according to the schedule sent in to the Commission.

1988. Are the duties which the officers under your supervision have to perform of a technical character?—Altogether of a technical character.

1989. How are they appointed; is there any examination as to age, moral character or capacity?—Some were appointed by the Minister without reference to me. Others were appointed by myself, with regard to their capability as draughtsmen. As to moral character I never enquire about it.

1990. Do you find those who are appointed without reference to you competent to perform their duties. Will you please to state your opinion as to their mode of appointment?—Some of the appointments, in fact most of those made by the Minister, are good; there are, however, exceptions. As to whether the arrangement is good or otherwise, I cannot give opinion, seeing that I do not know when the gentlemen are appointed. The Minister generally picks out the best men; this all refers to the Outside Service. As to the Inside Service, my opinion is at times taken, but not in all cases.

1991. With reference to the exceptions you speak of, are you obliged to retain men when once appointed?—I am.

1992. How are the salaries graded? Is the pay proportionate to the duties, or are some granted high salaries for work which might be performed by clerks who are paid a lower scale of salaries?—The salaries of twelve out of the sixteen persons referred to were, I may say, fixed by myself and approved of by the Minister. They were rated according to ability, some seven years ago, and no changes of any import-

ance have occurred. I would, however, wish to have an opportunity of re-classing them again, seeing that some are more efficient than others and work harder. The architects on the Outside Service, with two exceptions, are paid by commission on the cost of the buildings they are employed on. The clerks of works under these architects are paid \$75 to \$90 per month during the duration of the work. The one exception is an architect employed at Winnipeg; the other is employed at Kingston, Ont. The former is paid an annual salary; the other a daily one. There is another case at Dorchester, N.B., where the architect is paid so much per visit, his residence being in St. John, N.B.

1993. The sixteen employes of the Inside Service alluded to are temporarily employed, and not on the permanent staff; what is your opinion of this mode of engagement?—I would prefer them to be on the permanent staff, on the ground that I would have more power over them, and at the same time feel convinced that, their minds being easy, they would devote their talents to the work they had to perform. They would also, knowing the routine of the office and the system of doing the work, be far better assistants than those taken in from month to month, and liable to be discharged at the end of each month.

*By Mr. White :*

1994. Are there any officers in your Outside Service whose employment is continuous, and who could with advantage be permanently appointed?—As I stated before, we have but two officers in the Outside Service who are paid salaries, and one so much per visit. I cannot recommend that these gentlemen be placed on the permanent staff. By officers I mean architects.

*By Mr. Tilton :*

1995. Please state to what appropriations the pay of your staff (Inside Service) is charged, how they are paid, and under what heading the sums paid appear in the Public Works Departmental Report?—One from the Kingston and St. Vincent de Paul Penitentiaries; nine from Public Works and Buildings generally; six from Rents and Repairs; making a total of sixteen. The salaries are paid by the paymaster from a list prepared and certified by me. Ten names are sent in on a pay-list, and six sent in individual accounts. I do not name the appropriation to which these payments are to be charged.

*By Mr. White :*

1996. Do you see any practical difficulty in testing by examination the fitness of the persons employed in your office for the general duties assigned to them?—No; I do not.

*By the Chairman :*

1997. What is your opinion of the utility of a system of examination before candidates are appointed?—I have had no experience in any examination of this kind; but judging from what I have learned from the public papers in England, I have come to the conclusion that the man who gets the most marks is not always the best officer. I refer to the general examinations as to educational qualifications and not to examination on technical qualifications.

*By Mr. Brunel :*

1998. Have you examined the examination papers of the Civil Service Board, London, for candidates for admission to Her Majesty's dockyards, and for employment in the Scientific Institutions?—No; I have not.

*By Mr. White :*

1999. How then would you proceed to ascertain which one, of a number of men, was best qualified to fill a particular position?—I would proceed by asking, 1st, a series of questions on practical work; 2nd, by demanding the production of proof of qualifications in the shape of drawings, &c.; and, 3rd, by finding out the experience he had on either private or public works.

*By the Chairman :*

2000. Although your opinion is that a candidate receiving the greatest number of marks does not necessarily make the best officer; your opinion is in favor of an examination suited to the duties to be performed?—Certainly.

*By Mr. Tilton :*

2001. Would it be possible to effect any considerable saving in the cost of heating, lighting and cleaning the public buildings and taking care of them generally?—As to heating, the cost is now being reduced to a minimum. As to lighting, I have given instructions to reduce the size of the burners in the Parliament Building. As to cleaning, I know nothing, that being under another Department. The care of the buildings is in the hands of the police.

*By the Chairman :*

2002. How are travelling expenses paid, and what is the practice in respect thereof?—I may state that all the expenses of the staff, including my own, are charged under certain heads. 1st, rail and boat; 2nd, hotel expenses, ranging from \$2 to \$3.50 per diem; 3rd, cab hire to certain persons; 4th, incidentals, such as telegrams, and, as to which we trust the integrity of the officers. The expenses, with the exception of my own, are generally charged to the buildings which officers are visiting.

*By Mr. Tilton :*

2003. Will you please state how an estimate or an account is dealt with after being certified by you?—Generally, I send an account first to the Secretary; from him it goes to the Deputy, who lays it before the Minister, who orders payment or otherwise. Then it is handed to the Deputy, who sends it to the accountant, who makes out a certificate which is sent to the Receiver-General, who furnishes a cheque and sends it either to the bank, providing the party has left a power of attorney, or to the accountant or secretary of the Department. This process occupies about eight days.

2004. Has it not happened that delays have occurred, involving serious inconvenience to contractors in making payments by the certificates referred to in your previous answer?—Judging from the letters I receive on account of the delay of payments, I should say that more than inconvenience, that loss, has arisen.

2005. Do you not think these delays could be avoided, under a different system, without prejudice to the Public Service?—I do.

2006. When you receive a progress estimate, for work being done elsewhere than at Ottawa, by whom is such estimate certified and forwarded to you?—By the local architect, when one is employed, or by the clerk of works when there is no architect.

2007. Do you always accept the certified estimate of the local architect; and have you any check over his recommendation?—Every estimate received in my office is checked; and, if found correct, passed and certified. If incorrect, the attention of the architect is at once drawn to the incorrectness. On several occasions I have had to refuse them. I have photographs taken of the buildings from time to time, as a further check; and compare the same with the quantities taken out in my own office.

2008. Does it ever happen that after being referred back to the local architect, for further explanation, the estimate as first sent to you is paid?—Yes; if his explanations are satisfactory, or the facts are laid before the Minister by a special order.

2009. Can you suggest any means by which the delay involved in an estimate being referred back, and in consequence serious loss resulting to a contractor, owing to the inaccuracy of your own officers, could be avoided?—To avoid this injustice I sometimes recommend advances.

*By the Chairman :*

2010. Have you any men who from any cause are not well fitted to perform their duties and whose services might be dispensed with?—All the Inside Service perform their duties in a satisfactory manner. I cannot do with a less staff than I have at present.

*By Mr. Tilton :*

2011. Do you not think it desirable that such officers of your staff as are continuously employed should be included with those in the Service who pay a superannuation tax?—I do.

Mr. OCTAVE DIONNE, Accountant of the Public Works, examined:—

*By the Chairman:*

2012. You are in charge of the Accountant's Branch in the Department of Public Works. How long have you been in the Service and in your present position?—I have been sixteen years in the Service and ten years in the Accountant's Branch, but in my present position only ten months, since the division of the Department.

2013. How many clerks have you under your supervision responsible to you?—

Two.

2014. There is an office in the Department of Public Works called the Paymaster's office. Would it not be more convenient if this office was attached to your Department?—I think it would.

2015. Have you any control over that office?—Some payments are made through the Paymaster, and he has to send vouchers to the Accountant's Branch.

2016. Do you sign any cheques? If so, please state for what service?—I only countersign cheques; for any service except in the case of letters of credit issued at different times in favor of the Department, to pay petty accounts; amounting in the aggregate in each year to about \$75,000 to \$80,000.

2017. Are not a considerable number of the payments of the Department made by certificates?—All the payments, except the sums mentioned, are made by certificate.

*By Mr. Taché:*

2018. Would you prefer to submit all payments to the system of chequing out from letters of credit, to the present system of having your accounts paid by the Finance Department in certificates?—It would, I think, save time in making payments. There may, however, be some reason prevailing with the Auditor-General to maintain the present system.

*By Mr. Tilton:*

2019. Does it not happen that persons receiving payments from the Department are seriously inconvenienced by the delay in making payments by certificates?—It does sometimes happen.

*By Mr. White:*

2020. Is there any regulation defining the particular classes of payments which are made by you by cheque, by the Paymaster, and by certificate?—There is no particular rule in our Department. We make it a point in our Department not to issue cheques for more than \$100 at a time. The paymaster pays the pay lists.

*By Mr. Mingay:*

2021. As payment by certificate has been the system for some years past, can you state whether any complaints have been made to the Department as to acts of injustice and inconvenience arising therefrom?—The system has been in operation for years; long before I came into the office. I have seen letters of parties complaining of the delay in payment. It cannot be otherwise under the present system.

2022. Has a better system of payment ever occurred to you than the present one?—The best system would be letters of credit. This would at least save time in making payments.

*By Mr. Brunel:*

2023. Are you of opinion that the contractors are the only losers by the present system of payment, or do you think that as a rule they consider it in making their prices and so place the loss ultimately on the public treasury?—I do not think so.

2024. Do your accounts include expenditure of every sort besides casual revenue?—Yes, expenditure of every sort except the payments to the staff of the Department, which, as I said before, are made by the paymaster, and should appear in his books.

2025. Are your books and accounts examined by the auditor?—I cannot say that the books are examined; but statements are rendered, and sent monthly, from our books to the Auditor-General for inspection.

*By Mr. White:*

2026. With reference to your reply to a previous question, will you be so good as to give an outline of the duties of the paymaster of your Department?—When a



payment is made to the paymaster he has to personally make the payments, or send the money when he cannot go.

The Commission adjourned at 5:30 p.m.

FRIDAY, 29th October, 1880.

Mr. J. W. HALPER, Paymaster of the Public Works Department, examined:—

*By the Chairman:*

2027. What is your position in the Department of Public Works? Will you please tell the Commission the nature of your work?—I am Paymaster of the Department of Public Works. My duty is to make payments in connection with the public buildings at any place within the Dominion, surveys of harbors, dredging and minor works generally, fortifications; in fact, all works which are not let by contract.

2028. Will you please to tell the Commission the aggregate amount which you have to disburse yearly?—The total amount is between two and three hundred thousand dollars per annum.

2029. Have you a separate office or one specially set apart for yourself in the Department?—Yes.

2030. Do you keep any books of accounts; if not, how are the disbursements made by you recorded and accounted for?—I have no books but a cheque-book and a bank pass-book. When a payment is ordered to be made a warrant is issued in my favor and placed to the credit of the paymaster in the Bank of Montreal. I draw cheques in favor of parties at places where a bank agency exists, and send bank bills by registered letters where there are no agencies. The pay-lists are paid individually to the parties named therein. When these payments are made the pay-list or accounts, as the case may be, are handed to the accountant of the Department, who credits me with the amount so paid.

2031. Do you not think it would be more convenient if the work of your office was done in the accountant's office?—No, I do not think so, as a great many people (work-people and persons from the Ottawa River staff, Rideau Hall, even from Toronto and Montreal) come to my office for payment, and this would interfere with the accountant's book-keeping.

*By Mr. Tilton:*

2032. Do you have anything to do with payments that are made by certificates?—I have nothing to do with them beyond sending the certificates to the Warrant Office.

2033. Under what heading does payments made to persons employed in the Public Works Department at Ottawa appear in the Public Accounts?—These payments are chargeable to the works on which they are employed. The names of the persons do not appear in the Public Accounts.

2034. Do you not think that persons in the Department who are continuously employed should be permitted to pay superannuation deduction, and that their names should appear as being in the employment of the Department?—I do think so. They are virtually permanent employes, and fully entitled to superannuation. Their names should, I think, also appear in the Public Accounts in the regular way.

*By the Chairman:*

2035. You always take vouchers for every payment you make; what disposition do you make of the vouchers?—I hand them to the accountant of the Department, who credits me with them.

## FINANCE DEPARTMENT.

Lieut.-Col. THOMAS ROSS, Accountant of Contingencies, examined :—

*By the Chairman :*

2036. Will you kindly tell the Commission—how long you have been in the Service in your present position, and what are the duties appertaining to it?—Am in my 42nd year of service. Have been 22 years in my present position. My duty is to pay the contingencies of the Public Departments.

2037. Will you please to state in detail the various services which are paid for under the general head of contingencies?—Under the authority of the Act 31 Vic., chap. 35, it is enacted that contingencies shall consist of :—1st, subscriptions to and advertising in newspapers; 2nd, the purchase of books of reference, maps, etc.; 3rd, telegraphing; 4th, postages, freight and express charges; 5th, wages of charwomen and other expenses of cleaning offices; 6th, travelling expenses, including cab hire; 7th, extra clerks, to the extent only sanctioned by the Civil Service Act; and 8th, petty expenses.

2038. Are the conditions so set forth in this Act strictly adhered to?—They are at present.

*By Mr. White :*

2039. Do not several of the Departments pay more or less for the several items included under the term of contingencies, and included in their Departmental expenditure?—Yes, that is the case. Advertisements relating to the Outside Service are not held, I think, to be contingencies within the meaning of the Act. The Public Works Department also pay all their advertising accounts.

*By Mr. Tilton :*

2040. An account being sent you for payment, duly certified by a Deputy Head, which, in your opinion, was not a charge against contingencies, would you refuse to pay it?—I would now.

*By the Chairman :*

2041. Are we to understand that the conditions of the Act have not always been complied with?—Yes; in many particulars the spirit of the Act was broken repeatedly till the appointment of the present auditor, who insisted on the Act being carried out.

*By Mr. White :*

2042. Are there other items coming within the term "contingencies," as defined by the Act, which are paid for and charged in the general expenditure of the Departments?—Not to my knowledge.

*By the Chairman :*

2043. Are you accountable to the Finance Department or to the auditor in the payments made by you?—I am accountable to the auditor and send him monthly accounts.

2044. By what authority are you placed in funds for your expenditure?—I apply direct to the auditor. Formerly, I applied to the Minister of Finance.

*By Mr. Brunel :*

2045. Do I understand you to say that some of your payments are audited before and some subsequent to payment. If so, please state the rule by which the distinction is made?—I can only say that if I am in doubt I go to the auditor. Before I make some payments I consult the auditor as to whether he thinks they are contingencies or not. If he does not object I pay them.

*By the Chairman :*

2046. Have you anything to do with the stationery office now, or had you at any previous time?—I was instrumental in having the stationery office established; and had charge of it for some years. The saving must have been at least \$100,000 per annum.

*By Mr. White :*

2047. You have, in reply to a former question, stated that the payments to charwomen and laborers employed in cleaning in the public departments are made by

you. Can you say by whom these persons are appointed and under whose control their work is performed?—The men are appointed by myself on the recommendation of members of Parliament to the Ministers. The men have been almost continuously employed. The women are now appointed under the control of the Secretary of State. I think the employment and payment of these people should be under the control of the Deputy Heads of the various Departments. That is now the case, so far as the Post Office Department is concerned, and it works satisfactorily.

*By the Chairman :*

2048. Can you tell the Commission how much you pay annually for these services?—About \$1,000 per month. The whole payments of the office (for contingencies) amount to about \$10,000 per month.

2049. Have you given any consideration to the system pursued in making first appointments to the Service or promotion therein, if so, will you state your opinion in relation thereto?—From my experience I would say that all first appointments to the Service should be made of young men; and that the prizes of the Service should be reserved for those in the Service who are most worthy of them in regard to zeal and attention to their duties. Of course, exceptions will occur when men have to be appointed, for special qualifications, from the outside.

*By Mr. White :*

2050. By whom are the accounts for Departmental printing and stationery paid?—The stationery is paid for by the stationery clerk; the printing accounts are paid on weekly estimates, by the Auditor-General.

2051. Are these items not included in the contingencies as defined by law?—No; but they are charged against the vote for contingencies.

*By Mr. Tilton :*

2052. Do you not think the operation of the Superannuation Act might be fairly extended so as to provide for limited annuities to the wives and children of deceased civil servants?—Yes; most certainly. With relation to superannuation in general, I think the Act might be amended so as to give the Government power to take into consideration individual cases, such as those of members of the Civil Service who have served beyond the legal term, who might be allowed to retire on full pay or on an increased allowance.

*By Mr. Brunel :*

2053. Will you be good enough to state what advantage arises to the Public Service from the present system of paying departmental contingent accounts, as compared with the system which prevails of paying the Outside contingencies directly by the respective Departments?—It seems to me simplify matters. It gives one account where there would have to be thirteen.

The Commission adjourned at 5:30 p.m.

TUESDAY, 2nd November, 1880.

Prof. CHERRIMAN, Superintendent of Insurance, examined :—

*By the Chairman :*

2054. Will you please state your position in the Service?—I am Superintendent of Insurance.

2055. You have given the question of superannuation and provision for the wives and children of deceased civil servants some consideration?—I have. Some time ago I drew out, for the information of the Civil Service Board, a scheme of life insurance for the members of the Civil Service.

2056. Will you kindly favor the Commission with your views in writing?—I will.

*By Mr. Brunel :*

2057. Are you acquainted with the present regulations in the United Kingdom respecting admission to and promotions in the Civil Service?—Not fully; but have given the subject some consideration.

2058. Have you formed any opinion as to the expediency or possibility of adopting similar regulations with reference to the Civil Service of Canada?—Yes; my idea would be to have an entrance examination for the various Departments providing a minimum of requirements for entrance. Subsequently, promotion should be within the control of the permanent Heads of the Departments.

2059. In speaking of examinations, do you refer to pass examinations or competitive examinations?—I refer to a pass examination.

2060. How would you regulate the admission of candidates to such examinations?—I should admit anyone who produced good certificates of character, with certain limitations as to age, depending on the nature of the service.

2061. Assuming that there were five vacancies, and that twenty candidates passed the examinations, how would you select the five for appointment?—I think some plan could be adopted whereby another examination could be provided by which some of those who passed should compete again, the selection of the competitors in this case being made by nomination. I assume that the results of the previous examination would be considered in making the selection.

2062. By whom do you think such nominations should be made?—By the Heads of the Departments.

2063. Do you think such a system would sufficiently eliminate political influence?—No; but I think it is as far as we could go in the present state of things. It is not, of course, the best plan; absolute competition would, in my opinion, be the best.

2064. What is your opinion as to the possibility of testing the fitness of men for the Service generally, or for any special duties, by examinations conducted by persons well qualified for the duty of examination?—I am not aware of any difficulty.

2065. Do you think a system of competitive examination would, as a rule, indicate the fittest of a number of candidates for the performance of the duties with reference to which the examinations are held?—Yes.

2066. Have you had considerable experience in connection with the examinations at the universities, and have they been of a competitive character?—I have had such experience. The examinations have always been competitive.

*By Mr. Taché :*

2067. Would you recommend permanent appointments to be made at once, or to be subject to a probationary stage before being confirmed?—Certainly, to a probationary state.

*By the Chairman :*

2068. Your opinion, then, is in favor of appointments by open competition and the abolition of political patronage in making appointments to the Service?—Entirely so.

2069. What, in your opinion, is the most suitable age for first entrance into the Service?—As a general rule, from 18 to 21. For special kinds of work the age would, no doubt, have to be higher.

*By Mr. Tilton :*

2070. Do you think that a candidate who passed a high-class examination would, as a matter of course, make the best civil servant?—As a general rule, I think they would.

*By the Chairman :*

2071. You are aware that in England there is a Civil Service Board for regulating appointments and promotions in the Service there. What is your opinion in regard to such a Board for the Civil Service of Canada?—If the principle of competition were adopted such a Board would become a necessity.

2072. If such a Board was appointed by the Government in the same manner as the Judges are appointed—men free from political influences—do you not consider that would help to bring about a reform in the present system?—Yes.

## DEPARTMENT OF AGRICULTURE.

Mr. DOUGLAS BRYMNER, examined:—

*By the Chairman:*

2073. What is your position in the Department of Agriculture?—I am archivist, having charge of the historical records of the Dominion.

2074. You were a member of the Committee appointed at a meeting held in 1876 of the whole Service to consider the question of superannuation and allowances to widows and orphans of civil servants?—I was. I may state that at a meeting of the Committee Mr. Courtney, now Deputy Finance Minister, and myself were appointed to draw up reports as to the laws relating to these subjects in other countries. Mr. Courtney took the English and I took the foreign systems; and we prepared reports accordingly, which were printed and distributed among the Service. At one of the meetings subsequent to our appointment Mr. Cherriman was asked to prepare a scheme of insurance for the benefit of the Service, which was prepared and printed with other reports. After these reports were prepared I was requested by the Committee to prepare a draft report on the whole subject, which was submitted by the Committee to the Service generally without any opinion being expressed by them on the subject.

2075. Will you kindly furnish the Commission with the reports to which you allude?—I will do so.

*By Mr. Tilton:*

2076. Will you be good enough to state whether you would prefer a system of life insurance, coupled with the Superannuation Act, for civil servants, or a system which would provide limited annuities for their families?—I would prefer the system which would provide annuities for the wives and children of deceased officers. A very large number of railway companies in France, and the Grand Trunk in Canada, provide such annuities. The Grand Trunk Railway Company of Canada contributes a sum equal to the whole amount obtained from the deductions made from the salaries of their officers and servants. In the report for December, 1879, the contributions from members amounted to \$20,750.37; and the Company contributed \$20,750.37. The same proportion is given on the Northern, Eastern and Western Railways of France. In the Orleans Railway of France the superannuation is paid by the Company entirely. The general Assurance Companies of France make no deductions from the pay of their officers; one-twentieth of the net profits of the company are taken and apportioned to the credit of each officer and clerk, and each man is allowed four per cent. interest on the sum thus apportioned. In all these cases the widows and orphans have the right either to a proportion of the pension or else to the amount at the credit of the deceased official. I prefer to mention public companies as being a proof that this question is dealt with as a matter of economy and efficiency in the administration of their affairs.

2077. Please state on what basis you think the limited annuities for which you have expressed a preference might be determined?—The basis would depend on the average salaries of the officials. I think that the annuity should extend to the death or re-marriage of the widow and up to the majority of the youngest child.

*By Mr. Tacht:*

2078. Whatever the scheme adopted may be for the relief of families of deceased civil servants, is it or is not, in your opinion, of absolute necessity that it should extend to all permanent employes, irrespective of age and position?—Certainly it should be general.

2079. Should it be found impracticable, under the present circumstances, to have the State to provide or contribute for such relief, would you favour a compulsory system, the expense of which to be defrayed by contributions deducted from salaries?—Yes; the non-compulsory system has been tried, on a limited scale, in the shape of Civil Service Benefit Societies, which have been most unsatisfactory in their working.

The Commission adjourned at 5:30 p.m.

## CUSTOMS DEPARTMENT—(Continued).

THURSDAY, 4th November, 1880.

Mr. HENRY KAVANAGH, Inspector of Ports, examined:—

*By the Chairman:*

2080. Will you please state your position, how long you have been in the Service and held your present position?—I have been about 29 years in the Service, and about 14 years in my present position. My present position is that of Inspector of Ports.

2081. What is the extent of country over which your inspectorship extends?—At present from Kingston to the Magdalen Islands. It is called the Central Division.

2082. Are you enabled to overtake the work, or is the district of country over which your inspectorship extends too large for the proper and efficient performance of the duties?—I think the district is not too large. I consider myself quite capable of attending to it. I visit each of the ports and outports once a year. I consider that is often enough, as the ports are in good order.

2083. Have you been put in possession of detailed instructions respecting your duties as inspector? Are you furnished by the Department with a printed form of report in blank, to be filled in by you as you inspect each port or Customs House?—No. I have, however, a copy of each order issued by the Customs Department.

2084. Do you find the business is properly conducted and the officers well up to their work, or are there many or any irregularities?—I can only reply, generally, that the officers are up to their work. Sometimes they do not perform their duties or do not carry out their instructions. That may be accounted for by the fact that some of the men are but lately appointed and not sufficiently instructed in their duties.

*By Mr. Brunel:*

2085. With reference to the officers who you say have failed in their duty from inexperience, how were they brought into the Service?—I should say on the recommendation of the members supporting the Government.

2086. What positions have the officers you refer to held in the Service?—Generally landing waiters; sometimes collectors.

2087. Will you be good enough to state when you last inspected each of the Ports of Montreal, Quebec and Kingston?—I inspected Kingston about four months ago; Quebec in mid-summer; and Montreal not for some time, about three years. There is, however, no month that I have not to make partial inspections at Montreal. I have not thought it necessary to inspect Montreal thoroughly as the officers were, I thought, first-class men.

2088. How long previous to your last inspection of Kingston did you inspect that port?—About a year before that.

2089. Please explain, in some detail, your method of inspection, stating to what extent you check the books and work at each port, and the time devoted to the several places?—I compare all the leading books, such as the cash book, with the daily register, or surveyor's receipt book, and with minor account books. I check the cash book by the deposit receipts. I compare the cash book with the original entries; examine the warehouse book where there is a warehouse, going over every page; see that the quarterly balances are brought down of each kind of goods and properly transferred from page to page. Where there is no manifest book kept I see that the reports are numbered consecutively; if any are not on file I find out the reason. Then, that the number of entry is recorded on the margin opposite each item of goods—this for 2, 4 and 6 months, or whole year, according to importance of the port; where there is a manifest book, I go over each page to see that all entries have been passed; if some have not I make a list and go to warehouse to see if they are on hand there, and if not why not. I bring documents from one port to

another to check, compare or enquire into. I frequently bring invoices from ports, if I suppose there is under valuation or false discounts, to submit to appraisers of Montreal or the Board in Ottawa. I make 3 or 4 to 10 or 12 pages of minutes at each port, and bring the book with me on next inspection to see if directions carried out, or what was wrong made right. In addition to verbal, I frequently leave written instructions. I have to examine into navigation laws and registration of vessels, changes of master, mode of recording them, production of proper papers with vessels, licenses, cargo books and clearances, how treated; inspection of steamers, if done. I see each officer at his work and examine its performance at each port. I see that the officers' names are recorded daily in the appearance sheet of the larger ports, and hours of attendance. That none are absent without leave or a doctor's certificate. Administer oath of office to each officer on appointment or promotion, down to the messenger and packer. Examine the invoices for a month to six, to see that they are signed by importer, and say what I know about discounts and prices. Have a few times made seizures myself, but generally direct it to be done. See that the officers do not receive too much or too little for extra service, and the nature of it. When the goods are removed ex-warehouse, or exported out of the Dominion, I see that cancelling certificates are filed to show that the goods were received at other ports or properly exported to a foreign country. I do not check all the original documents at a large port, taking only say three months or six months of them, according to the size of the port. I check the warehouse books generally with the daily register, where there is one, and where there is not one, by the original entries for warehouse; to see that all the goods entered for warehouse have been correctly transferred to the proper personal accounts; examine the tonnage books to see that arrivals and clearances are properly recorded; examine the exports to see that the books are properly kept. The latter is troublesome work on account of the different views taken by collectors as to what constitutes their exports. As to the time occupied, Montreal, at my last inspection, occupied a month; Quebec, generally, takes two weeks; Ottawa, about ten days; Kingston, a week; other medium-sized ports take about three days, and smaller ones one day, generally speaking.

2090. How many ports have you in your district?—The number of ports in my division is 31, and 37 outports and stations; making 68 in all.

2091. To what extent do you inspect the bonded warehouses, and do you ascertain in all cases whether the quantity of goods in warehouses corresponds with warehouse ledgers?—I take a copy myself of the balances of each kind of goods of each account from the warehouse book after ascertaining that it is correct; and at ordinary sized ports, I go to the different bonded warehouses and check the list of balances with the goods in stock. At large ports I take two or three or perhaps four bonded warehouses and check them as before mentioned. I have sometimes found that they did not correspond, and took steps to regulate the difference by having entries passed to the day of inspection.

2092. When there is a deficiency of goods in warehouses as compared with the warehouse ledgers, are you satisfied with the passing of clearing entries, or do you bring such irregularities under the notice of the Department?—When there is anything wrong I censure the officers and report the facts to the Department.

*By Mr. Tilton:*

2093. When at a port making an inspection, would such fact not be usually known to proprietors of bonded warehouses?—I cannot tell whether they would know it or not. My name is registered at public hotels as usual.

*By Mr. Brunel:*

2094. Do you gauge or test spirits in bond when inspecting warehouses?—On some occasions I have gauged liquors in bond. On two occasions I found errors, one of them amounting to a thousand dollars, which I reported. The money has been paid, and also a fine of five hundred dollars. But as a general thing I do not test liquors in bond.

2095. How then do you know whether the proper quantity of spirits is in bond?—I go by the packages. If the packages are all right I take it for granted they contain what they are entered as containing.

2096. Is it three years since you inspected the warehouses at Montreal?—It is.

2097. Since then, have any goods been irregularly or fraudulently removed from any of the bonded warehouses?—Yes; I have heard of several, and I know of one instance myself. I am aware that the Commissioner of Customs, about nine or ten months ago, ordered the Surveyor of Montreal to examine each bond containing goods subject to specific duties, to see that they were correct as to quantity and quality; to open some of the casks to see if the quantity was correct. A couple of months after that order I asked the Surveyor if he had complied with it. He said that he had in a few instances, but had not had time to do more. Subsequently, I asked him again. I think his answer was that he had examined a few more, but had not had time to do so with all. He may have done so since. I mention this as a reason why I have not myself examined the bonded warehouses in Montreal, as I know that the Surveyor, on whom I could depend, would do the work correctly and satisfactorily. I mentioned to the Surveyor, on one of those occasions, that I was going to examine some of his bonded warehouses. He replied that if I should do so, he would throw the examination up, as it would be like taking the whole thing out of his hands.

*By Mr. Tilton:*

2098. Is the examination of bonded warehouses a part of your duty under the instructions issued to you by the Customs Department?—It is my duty to do so as far as I can.

*By the Chairman:*

2099. You have stated that the Port of Montreal has not been inspected by you for three years, except in a partial way; that you had heard of several irregularities in bonded warehouses and knew of one; that the Commissioner had given instructions that all bonded warehouses in which goods subject to specific duty were stored should be inspected; and that when you asked the Surveyor whether the orders of the Commissioner were being carried out, his answer was that it was only partially done owing to want of time; and that when you proposed to examine a couple, he said that he must be allowed to do the whole work. Will you state what steps you then took to protect the Revenue?—With reference to my inspection of Montreal, I think it is nearly three years since I gave it a general inspection. But, as I said before, I have gone in to enquire into particular branches, about once a month; on some occasions being occupied several days. With reference to the examination of the warehouses of Montreal having been placed in the hands of the Surveyor, with special instructions to perform the work thoroughly, I did not deem it necessary to enquire into the matter further, but intended to do so this fall or winter.

*By Mr. Brunel:*

2100. When the Surveyor of Customs at Montreal made the reply to you in reference to the inspection of warehouses, which you have just now stated, did you understand that he resented your proposal to inspect the warehouses, or that he simply desired to complete himself an inspection which he had commenced?—I think he simply desired to complete an inspection which he had himself commenced.

2101. Can you inform the Commission whether the Surveyor is sometimes acting collector; to what extent he is so employed, and whether such employment interferes to any considerable extent with the performance of his regular duties as Surveyor?—I am aware that he is frequently in charge of the port as acting collector, not only when the collector is absent on leave, but also at other times. I believe it does interfere with his duty as Surveyor.

2102. With reference to your answer to a previous question as to the trustworthiness of the Customs officers in your survey, are you not aware that officers who were thought to be entirely trustworthy have become defaulters for large sums?—I know of one instance where a collector, whom I supposed to be an honest and honorable man, was found to be deficient in a large amount, and also his cashier. In



the instance I refer to I discovered the first deficiency three or four years ago, and then took such steps as I believed would be successful in stopping it for the future, which steps, on my reporting the circumstances, were satisfactory to the Department. I ceased to be inspector of that port about a year after. I have found, on perhaps seven or eight occasions, instances where the cash had been made use of by officers, chiefly collectors, in whom I had confidence. On each of these occasions I took steps to have the deficiency made good before I left the port, and reported all the circumstances to the Department. I have also found delinquencies among subordinate officers, such as lockers giving out goods without warrant. On one occasion I suspended three of the officers and reported. I recollect another case of defalcation in Upper Canada. The officer was dismissed. It arose by the suppression of entries and invoices by the collector. It was discovered by the Commissioner himself from information or suspicion. It was generally supposed that the man was deranged; he died subsequently in a lunatic asylum. On my previous inspection of his port I had found the reports in disorder, but as it would take a month to regulate them I left orders to have them arranged without delay, and I reported to the Department.

2103. In the cases you have mentioned of defaulting collectors, were they retained in the Service after you reported them to the Department?—In four instances the collectors were dismissed; in another the Collector had just died, and in another the collector was suspended, and afterwards superannuated. In the rest of the cases the men were retained in the Service. I may add that I believe, in regard to these latter cases that the parties so retained did, in fact, intend to return the money of which they were in default, and that, I suppose, was the reason they were not dismissed.

2104. With the experience you have mentioned, do you base your opinion as to your ability sufficiently to inspect your district on the reliance you think may be placed on the honesty of the officers?—Everything considered, I think I am capable of inspecting my present division.

2105. Do you consider the existing Customs regulations respecting the construction of bonded warehouses sufficient for security?—I consider the late regulations, a copy of which I will put in, are sufficient; and that since they were promulgated, new bonds are in conformity with them. It has been considered by the Commissioner that bonded warehouses already in existence should not be compelled to come under the new provisions.

2106. What is your opinion as to the necessity or expediency of requiring other security than that of the principals or owners of the goods warehoused for the duties to which they are liable?—It, perhaps, would be necessary to have another solvent person give security in addition to the proprietor of the goods.

2107. What is your position in relation to collectors and other officers of Customs; do you exercise any control over them; are you their superior officer, and have you authority to direct them in the performance of their duties?—My position in relation to Collectors and other officers is, I think, that of a superior. I exercise control over them to any extent I think proper, in regard to making enquiries and demanding answers. I do not think I have authority to direct them in the discharge of their duties, but only to offer recommendations, which I generally do in writing; and if they are not followed, I report on my next inspection. I have authority to suspend an officer if the security of the revenue required it; and I have acted on that idea, having once locked a Customs house and put the key in my pocket, and then placed it in charge of an officer from another port.

2108. Do you report the result of each inspection to the Department?—I did so for many years, till the last year and a half, when the Commissioner said it was not necessary unless there was something special to report.

*By the Chairman:*

2109. You have stated your belief that some of the defaulting officers who were not dismissed intended to make good the money appropriated by them; as a matter of fact did they do so, and did the others who were dismissed?—Those who were retained did make good the defalcations before I left the port. One of the dismissed

did not make his defalcation good; the other has partially done so; and not being any longer inspector of the Division I cannot say whether the third refunded or not.

*By Mr. Barbeau:*

2110. Will you state if there were sureties for the defaulting officers who could not repay the sums abstracted, and if any thing was collected from those sureties?—Having reported the circumstances I am not in a position to know whether the Department prosecuted on the bonds or not.

*By Mr. Mingay:*

2111. Would not some defined rules of instruction supplied to all the inspectors greatly facilitate their carrying out their duties?—It would to those who are not supposed to be acquainted with their duties already, such as newly appointed inspectors without previous experience.

2112. Does not the want of such rules tend to weaken the usefulness of any inspection, by leaving the Inspectors uncertain as to the powers placed in their hands?—Yes; if the inspectors were uncertain.

2113. Do you find that the clerks in the different Customs houses under your inspection are, as rule, placed in the positions they are best fitted for, taking their abilities and merit into consideration?—As they are placed in those positions by the collector, it is supposed that they are in the positions for which they are best fitted.

2114. Do you find that the officers in such Customs houses are paid salaries in proportion to their duties, or are highly paid clerks performing the same duties as those who receive smaller salaries?—The clerks have, as a general rule, small salaries, and there may be cases in which the right man is not in the right place.

2115. If you find that some officers are more capable than others, and are year after year receiving lower salaries than they are entitled to, is it a part of your duty to notify the Department of the same, and recommend them for increase of pay or promotion?—I do not think it is a part of my duty, though I sometimes exercise it. I consider that the subject of salaries is beyond my interference.

2116. Is your recommendation for increase of pay or promotion for good cause, as a rule, acted upon?—I do not think it is.

2117. Are there any defined duties for the different grades of clerks in the Customs houses, so that clerks receiving high salaries are placed at a higher class of work than those receiving smaller pay?—The way in which they are placed on the pay list is the only regulation I know as to their standing. They are named therein as first clerk or first landing waiter, &c. There are no rules as to the work on which the different classes of clerks are to be employed. The collector indicates what the work shall be.

2118. Does not such a state of things cause dissatisfaction amongst the clerks and tend to hurt the efficiency of a good officer by making him feel that, as merit is not recognized in the Service, there is no necessity for him to be zealous in his work?—Such a state of things does cause dissatisfaction, and has an injurious effect on the Service.

2119. If merit were recognized by promotion and increase of pay at stated periods, would it not tend to make a better class of officers, and so more work could be done by fewer hands and thus reduce the expenses?—Yes.

2120. Are you of opinion that a system of appointment on probation and examination, and of promotion on merit and faithful services, would tend to make a better staff of officers than that formed by political patronage?—By all means.

2121. In case of any officer misconducting himself, and it coming to your knowledge on an inspection, and not through information from the collector or head of the office, what would be your duty in such case, and how would the collector or head so neglecting to give the information of such misconduct be treated in the matter?—I would report the circumstances to the Department. I am not aware of how the Department would treat such an officer as is mentioned.

2122. Have you received any particular instructions from the Department in such case, or are you allowed to use your own discretion in the matter?—I have not received any special instructions; I use my own discretion.

2123. Is there any particular system adopted by the different Customs houses throughout your district for keeping the accounts, checking moneys received, warehousing goods and generally carrying on the work of the office?—There is no general system laid down. Each collector performs the work of his office according to the best of his judgment, subject to the approval or disapproval of the inspector. I think the inspectors have not sufficient authority.

2124. Is it not a fact that at many of the Customs houses different books are used and different systems pursued at the option of each collector?—Montreal pursues a different system, in some respects, from all other ports; but, in general, the system is the same at other ports. Some ports being railway ports, some water ports, and others water and railway ports combined, there must be some difference in the manner of keeping their accounts. At some frontier ports they keep a special consecutive number for each port that they manifest goods on—a system that I approve of. Others have one running number for all the ports; I expect to improve this.

2125. If the Surveyor of a port was found to have neglected his duties, how far would you hold a collector answerable for his neglect?—I would hold him responsible to the full extent, he being the head of the port—I mean after the fact comes to his knowledge.

2126. In placing goods in bonding warehouses, do you consider it necessary for the proper safety, proper delivery and inspection thereof, and is it one of the regulations of the Department, that all packages belonging to a particular warehouse entry should be kept in the warehouse separate from those of another warehouse entry, and each package numbered with the number of its own bond?—It is generally done at all the large ports, but not at the small ports; nor do I think it absolutely necessary at the latter, where there is only a small quantity of goods warehoused.

2127. Where Inland Revenue goods are placed in charge of the Customs, or are bonded in a Customs bonding warehouse, do you consider it a part of your duties to make periodical inspection of such goods?—No.

2128. Then, any difficulties which may arise between the Collector of Customs and the Collector of Inland Revenue, owing to negligence of duty, or otherwise, relating to such goods, have to be a matter for decision through the Department alone?—Yes; but I have not known of any such differences. Henceforth the goods will be separate, having each a bond of its own, under separate locks.

The Commission adjourned at 6 p.m.

FRIDAY, 5th November, 1880.

Mr. H. KAVANAGH's examination continued:—

*By the Chairman:*

2129. You have stated, in answer to a previous question, that you discovered a collector and his cashier to be deficient in their cash for a large sum, about three years ago, who were then under your supervision but have ceased to be so for about a year, and which you reported to the Department. Will you please tell us the amount then in default?—At that time I think the amount was, as well as I can remember, about \$1,300 or \$1,400, which I got paid up before I left the port. My opinion is the deficiency occurred again in a few days after I left, and went on increasing.

2130. You stated also that you took steps to stop such irregularities for the future. Were the steps you took successful?—They were not; but they would have been if my instructions had been followed. The steps referred to were—The chief clerk, in whom I had every confidence, was instructed to see that each day's collections were deposited in the bank, and that once a week he was to certify to that in the cash-book with his name.

2131. How soon after the defalcation did it come to your knowledge that those instructions were not carried out; and how soon after did the port cease to be under

your supervision?—I inferred that my instructions had not been followed out when I heard of the larger defalcation about three years afterwards. I then wrote to the chief clerk to enquire why he had neglected my instructions (as to deposits) given before and with apparent sanction of the collector. He answered that I had not given him such instructions. I then sent him an extract from my minute-book, detailing the words used on the occasion, and the reasons of them. He replied, that he could no longer deny it, but that he had forgotten all about it, and had never done what I had directed, respecting examination of the bank deposit of daily collections. But the port ceased to be under my supervision about a year after the first discovery.

*By Mr. Mingaye :*

2132. Did you report the whole circumstances of the case of the defalcation discovered by you to the Department, and did you notify them that a default had been made, but that the money was refunded before you left the port? and what reply did the Department make to you?—I did report the circumstances fully to the Department, mentioning the steps I had taken to prevent a recurrence. I did report the default and that the money had been repaid before I left the port. The Department did not make any reply at the time, but subsequently I was informed that the Department was satisfied with my arrangements.

2133. You say that the defalcation was made good before you left the port; by whom was the amount made good?—The cashier.

*By Mr. Tilton :*

2134. Is not the registration of vessels at each port attended to by Registrars of Shipping and Measuring Surveyors appointed by the Minister of Marine; and are not officers so appointed directly responsible to the Marine and Fisheries Department?—They are appointed by the Minister of Marine, and are responsible to that department as far as such duties are concerned.

2135. Do you desire the Commission to understand that you consider it a part of your duty to see that the registrars and surveyors of shipping perform their duties as such in a proper manner?—Yes; I do.

2136. Have you, from your long experience as inspector, formed any opinion as to the desirability, or otherwise, of permitting goods in bond being stored only in Government warehouses specially provided for the purpose?—Yes; from my experience, I am of opinion that the only safe way to bond goods is by having Queen's warehouses in large ports.

*By Mr. Mingaye :*

2137. How often are you instructed to visit each port within your district?—I have no positive instructions on the subject, but it is understood that I inspect each port once a year.

2138. How often do you think a port ought to be inspected during the year?—I think it would be far better if they were inspected twice a year.

2139. Does not a long period between inspections tend to place temptations in the way of collectors to misappropriate the moneys received by them, and in other officers to neglect their duties?—Yes; I think so. It is impossible for me, with the number of ports under my direction, to visit them more than once a year, in addition to special inspections that I have sometimes to make, besides coming to Ottawa occasionally to confer with the Commissioner.

2140. As it is part of your duties to see that all moneys received by the collector are properly accounted for, between the time of your last and the then inspection, what evidence do you leave with him of having done so?—I write a certificate in his cash book in red ink.

2141. Is it part of the duties of a Surveyor of a port, or the next officer under a collector, to see that the moneys received by the collector are daily accounted for, and remitted to the Receiver-General?—It is his duty to see that the collections are accurately received.

2142. If the collector fails to remit in a proper manner, is it a part of the duties of the surveyor or next officer, under the penalty of dismissal for failing to do so,

to inform the Department at once?—I think he ought to do so; I think it is his duty. I know that the surveyor compares with the cashier daily.

2143. Who is the proper officer of a port to administer any oath required under the Customs Act, 40 Victoria, chapter 10?—The collector.

2144. If an oath is taken before an officer having no authority to do so, what would be the result if an importer were prosecuted for perjury or any breach of the Revenue Laws based upon any particular bill of entry of goods, in which an affidavit thereon were made before such officer?—I think it would fail in the court. At present the oaths are administered in some ports altogether by the chief clerk and sometimes by the surveyor. In my opinion these officers are not authorized under the Act to administer that oath; and I consider that an Order in Council ought to be issued to authorize both the surveyor and chief clerk to administer oaths in the absence of the collector.

2145. Have you any supervision over the Appraiser of any port?—I consider I have jurisdiction over every officer at a port so far as I choose to exercise it; but in the case of the appraisers I would not interfere with them in regard to the valuation of goods, but would enquire into and report upon delinquencies of character or inattention to duty.

2146. Are there not in your district a great many small ports in which one or more officers are stationed, receiving Customs duties the yearly receipt of which are much less than what is paid them as salaries?—Yes.

2147. Are there not a great many outports, also, with officers stationed there but reporting to a head port?—Yes; all of them.

2148. Are you of opinion that these small ports and outports increase the chances of loss to the revenue by opening the door especially for the importation of goods at a serious undervaluation?—I am most distinctly of that opinion; and I invariably report against the extension of them.

2149. Could not many of these small ports and outports be abolished with advantage, and so do away with these objections, besides reducing the expenditure of the department for unnecessary offices?—I consider that half the small ports and outports of Nova Scotia and several in New Brunswick, Prince Edward Island and Upper and Lower Canada, ought to be closed; and some ports reduced to outports and placed under the jurisdiction of the nearest large port. I am in favor of having preventive officers, duly commissioned, with instructions to have certain limits within their surveillance, with small salary or none, such men to depend on their share of seizures (two-thirds, if made without information) to remunerate them for their trouble. Such men to have power to clear vessels in out-of-the-way places on the St. Lawrence, and collect Sick Mariners' Fund, the latter class to receive from Government \$5 for each clearance. We have at present nearly a dozen of such officers who are willing to work for their share of seizures, and are willing to clear vessels on those terms.

2150. Can you give any special cases of officers employed in Custom houses under your inspection who do not receive a salary in proportion to their length of service, ability and merit?—I know of several who are, I consider, underpaid. I also know of a few instances where the officers were awarded an increase of salary, and notified of the fact by the Government preceding Mr. Mackenzie's, who have not received such increase as promised, while some others have received the increase—which causes envy amongst them. My opinion is that such increase ought to be paid, and retroactively.

*By Mr. Brunel:*

2151. In answering a previous question you stated that on some occasions you had gauged and tested spirits in bond; that you had discovered on one occasion a serious discrepancy, but as a rule you do not test or gauge that class of goods.—Do you not think the discovery of the discrepancy you mention indicates a necessity for closer and more frequent inspection than you described as having been your practice?—On the occasions that I mentioned on which I found discrepancies there were special reasons for my having tested the goods; and I do not think it necessary that

an inspector should test or gauge liquors in bond. One reason is that the goods are bound to pay the full quantity and strength that was entered for warehouse. I would not test or gauge unless I had suspicions in any particular case.

2152. What, as you understand the law, is the duty of collectors of Customs and landing waiters as regards bonded Excise goods arriving at their respective ports?—To receive them, check them, and put them in bond. The collector is bound, personally, to see that the same quantity goes out that came in.

2153. Are the collectors of Customs responsible under the warehouse regulations for the safety of Excise goods placed in Customs bonding warehouses?—They are.

2154. That being the case, should not the inspector of ports take cognizance of the manner in which the officers of Customs perform their part of this duty?—If I was aware that they neglected that part of their duty I would blame them for it, and report.

*By Mr. White :*

2155. Are you ever consulted with reference to the promotion of officers in the Outside Service of the Customs?—I am not; but I think I ought to be.

2156. Do you, when inspecting ports, make any record of the conduct or efficiency of the officers whose duties you supervise?—I make a record in my minutes of such matters, and report them if there is anything to condemn; but I do not at present report unless there is something special to report upon. I carry my minute book with me for the purpose of comparison of former inspections at every port I go to, and find it most useful. (The witness desired to offer some explanations with regard to his evidence previously given regarding the warehouse at Montreal, as follows:—) It should be remembered that there is a quarterly examination of every bonded warehouse in Montreal and elsewhere. At the former, two lockers, selected for their good character, are sent to take stock of the bonds, which is compared by the surveyor with the balances as shown by the office books (this should be done by the collector). The examining officers do not receive a statement of what should be in bond to see if that is correct.

2157. Have you any suggestions to make with respect to appointments in the Service and to promotions therein?—Yes; I beg to submit the following memorandum :

*Memorandum.*

That every *candidate* for office in the Customs shall be examined by the two chief officers of the port, or by such officer or officers of the nearest port to his residence as the Commissioner shall direct, in the rudimental branches sanctioned by the Department, and declared ineligible if such examination does not come up to the prescribed standard, which need not be at first a high one. If satisfactory, a certificate to this effect to be given by the Commissioner.

That every officer having the right by seniority to apply for promotion shall pass an examination as above stated in the branches and to the extent prescribed, and if the standard be not reached that the next in rank shall have the right to be examined.

That regular promotion shall be the rule of the Department according to seniority, provided the head of the port, considering the fitness of the applicant, recommended the promotion, and that the inspector of the division endorse such recommendation. In this case, members of Parliament and persons of influence would have only the privilege of recommending men to the lowest steps of the ladder, which would be of the greatest advantage to the Service.

That it should not be a regulation that promotion shall be solely *in the port*, but that an officer, according to *merit and length of service*, shall be eligible and have a right to the promotion from another port if strongly recommended by his inspector, who is more likely to be impartial than either collector.

I consider that each officer ought to have a right to three weeks' leave of absence on application to the Commissioner, the time to be arranged between officer and collector of his port, so that it may be made as little inconvenient to the Service as possible.

That the leave might be divided into a week at three different times of the year at the option of the officer.

That half the officers of the port (few or many) take alternate time, summer and winter—that is, the one having his leave in the summer one year is to take it in winter next year. That the collector keep record of the dates during which each officer shall be absent.

That no deduction be made from salary for such absence, but that the head of the port so arrange that the duty of the absentee shall be properly performed by one or more of the other officers, and that the person on leave shall be responsible for the correct discharge of his proper duties.

That the collector may occasionally, when no inconvenience can result, give any officer under him one day's leave without application to the Commissioner, but under other foregoing conditions.

That any officer doing duty for another of higher grade (except during the three weeks' regular leave of absence) shall give double security, and shall be entitled to receive, in addition to his usual salary, one-third of that of the absentee.

That every officer of each Customs house, including clerks, tide-waiters and preventive officers and assistants, give security for the due performance of their duties.

That such security shall not be accepted from merchants and traders having transactions in the Customs house where the officer is employed.

That an officer owing more than \$50 to any merchant doing business in his line of duty in the Customs house, and any officer sued for debt, shall be censured by the collector; and if sued more than once and condemned to fine or penalty, shall be liable to dismissal.

The Commission adjourned at 6 p.m.

SATURDAY, 6th November, 1880.

The Commission met at 11 a.m.

Mr. T. C. MEWBURN, Inspector of Customs Ports, examined:

*By the Chairman:*

2158. Will you please state how long you have been in the Service and held your present position?—In 1840 I entered the Post Office at Queenstown and remained there two and a-half years. Then I entered the Customs Department at Port Colborne, and was there about two years. I was then transferred to Port Maitland. At the request of the Government I resigned my position in order to allow Mr. Benson to take my place. From that time, about 1846, till 1872 I was out of the Service. In 1872 or 1873 I was employed in the Hamilton office as an extra clerk. My present position of Inspector of Customs Ports was given me in 1876.

2159. Your present position is that of Inspector of Ports in the Customs Department. Will you please state the division over which your inspectorship extends?—My division extends from west of Kingston to Prince Arthur's Landing.

2160. Are you enabled to overtake the work, or is the division too extended to enable you efficiently to inspect the various ports and Customs houses to your own satisfaction and that of the Department?—I think I can thoroughly inspect it. For the last year, however, I have been in charge of Toronto with the acting collector. This has, necessarily, taken up much of my time that would have been employed elsewhere.

2161. How often do you inspect the various ports and Customs houses in your division?—I generally inspect them all once a year, but the larger ports I inspect once in three months, or oftener sometimes.

2162. Have you been put in possession of detailed instructions respecting your duties as inspector?—No, I have not; no definite printed instructions.

2163. Do you know what the extent of your authority is—that is, as regards other officers in your division—say, collectors, surveyors, etc.?—I am very doubtful

of that. I have had no occasion to test my authority, nor to ask any instructions from the Department.

2164. When making your inspection have you found irregularities; if so, state what steps you have taken to correct them?—I have met with some irregularities. Upon finding irregularity in a port I have invariably reported the facts to the Department, and submitted my instructions that I had left with the collector.

*By Mr. Barbeau :*

2165. Do you meet sometimes with newly appointed officers whose educational acquirements are so deficient that they are unable to perform their duties?—No; I cannot say I do. A newly appointed officer may not know his duties, but he may be able to carry out the instructions given him if he will endeavor to do so.

2166. Do you find that discipline is generally well observed in the ports you inspect, and do you make any enquiries on that subject?—I do enquire, and I find that discipline is not carried out as it ought to be.

2167. What is your course in such cases. Do you suspend those officers; and if so, what consequences have those suspensions?—I have suspended some of the officers for drunkenness. In two cases the men were re-instated, but afterwards dismissed for a repetition of the offence.

2168. Do you meet with some of those inefficient officers that are kept on, who, in your opinion, should be dismissed?—I do.

2169. To what causes do you ascribe their being retained in the Service?—I think very often to political friendship.

2170. Would the Service be improved if all new appointments were made on merit, proved by examination and probation, and freed from the political influences you mention?—It would.

2171. Has it come to your knowledge that appraisers at different ports have differed in the amount of duty to be charged on the same description of goods?—They have differed very considerably.

2172. What course do you recommend, so as to avoid this difference of opinion?—I have forwarded labels from New York, showing the manner in which the New York Customs dealt in appraising goods, viz., by comparison, and suggested that the same plan should be carried out in Canada.

2173. Has this had the desired effect?—I cannot say, as the recommendation has but recently been made.

*By the Chairman :*

2174. As a matter of fact, are not these samples now being sent from the ports to the Department, as recommended by you?—Yes; they are.

*By Mr. Barbeau :*

2175. Do you not think that more uniformity in the manner of keeping the books could be attained in the various ports under your inspection?—I do.

2176. Please describe the nature of the irregularities or frauds you have alluded to, and say to what causes you ascribe them, and who is responsible for them?—In one case the irregularities arose from the making of wrong entries, then erasing them and re-writing over them. I think the cause of the fraud was gambling on the part of the officer, a collector. The next irregularity arose from collusion between a collector and his chief clerk and the keeping of a great number of petty books. The surveyors' cash book was deficient in not having a column for the daily remittances, which would have been a check on the collector. In another case the destroying of the original entry papers and the substituting free entry papers was the means of fraud; also, holding over cheques for friends.

2177. Has any loss been incurred by Government in these cases, and to what extent?—To the best of my knowledge no loss has occurred.

2178. Were there any sureties given by the officers for the due performance of their duties?—All, with the exception of the Chief Clerk mentioned, gave sureties.

2179. Do you not think Cashiers should give security directly to the Government as well as the Collectors?—I think so.



2180. Were the delinquent officers you have alluded to retained in the Service?—One has been placed on the superannuation list, one died, and three were dismissed.

2181. Has the system of keeping the accounts been modified latterly in such a way as to guard more efficiently against the cases of fraud and irregularities you have mentioned?—I think so.

2182. What is your opinion of private warehouses?—I consider they are necessary for the requirements of the merchants; but they are liable to abuse.

2183. If Government warehouses were erected so that the goods stored therein would be exclusively under Government control, would it be, in your opinion, of a nature to prevent the frauds which have often happened in private warehouses?—In larger cities it would.

*By Mr. Brunel :*

2184. Can you inform the Commission as to the probable amount lost by the Revenue in your division within the last four years, in consequence of irregularities or frauds in connection with private warehouses?—I am not aware of any loss in my division.

*By Mr. Barbeau :*

2185. How often do you inspect the ports in your division; and please describe the manner in which you make your inspection?—I inspect, generally, all the ports once a year. I check over the entries with the cash-book; check them, also, with the manifests; check the deposit receipts; check the warehouse accounts; check the balances of the No. 2 bond-book with the goods in the warehouse; check the in and out coasting and lake vessel books, in order to see that the fees are accounted for; check over the warehouse receipts and all the other subsidiary books, and report the same to the Department. I also look over the invoices and the contingent accounts.

2186. How many ports and outports have you in your division?—Between sixty and seventy ports and outports.

2187. Do you inspect ports where there are surveyors with the same care as those where no such officer is in charge?—I do.

2188. Do you see yourself that the goods said to be in warehouse are really there; and do you ever discover discrepancies?—I make a point of checking all goods in warehouse with the landing waiter or locker when I am inspecting a port, with the exception of three or four of the larger ports; but once a year I thoroughly inspect the warehouses in these larger ports. I have discovered discrepancies.

2189. Have these been reconciled, and in what manner?—They have been made good. In one case, in looking over the accounts, I found goods entered as molasses, and thought they should be syrups. I asked the Collector to go with me to see them. We did so, and they were not there. I went to the party owning them and asked him where they were. He said they were sold. I stated to him that if the entry for them was not immediately made I would close the warehouse at once. He made some excuse that he wanted the goods, and paid the duty at once. I reported the matter to the Department. In another case some crockery had been entered for warehouse, but not put in a proper warehouse. I found that a very large quantity of these crates had been taken away. I asked the Department for instructions, one of the banks claiming a lien on the goods. Communications passed between the bank managers and the Department. I was instructed to demand payment of the duty on the crockery taken away within a given number of hours, or a criminal prosecution would be entered. The party, with the assistance of the bank, paid the money that night.

2190. How do you explain the disappearance of these goods without duty being paid?—In the case of the crockery the cause of the escape of the goods was carelessness and ignorance on the part of the officers; it amounted almost to collusion.

2191. What was done with the officer who showed so much carelessness or collusion in the case?—He was severely reprimanded but still kept in the Service.

*By Mr. Brunel :*

2192. When taking stock of goods in warehouse what means do you take to satisfy yourself that the packages contain the goods they are supposed to contain?—I have to accept the marks, numbers and address on the packages to enable me to identify them with the entry.

2193. Do you test or gauge spirits in warehouse?—I have done so, but do not generally.

2194. How then do you know whether the quantities are correct?—I have no method of finding except in the way I have mentioned.

*By Mr. Barbeau :*

2195. On inspection do you take the character and apparent respectability of an officer, and lessen your inspection according to your opinion of him as an officer?—I do not.

2196. Would you see any benefit in changing from time to time the collectors, surveyors, appraisers and landing-waiters from one place to another?—I do not think it would be of any benefit to change the collectors. I would change the surveyors, appraisers and landing-waiters at some of the ports, such as frontier railway ports, but not at the other ports.

2197. Are the smaller outports a benefit to the country, and, in your opinion, could any of them be dispensed with?—They are no benefit, and numbers of them might be dispensed with.

*By the Chairman :*

2198. What is your opinion of this practice of paying landing waiters for extra services?—I think the present system is objectionable. The practice is not settled at the different ports. There ought to be some defined system of paying the officers for extra hours. As far as I know, some of the railway companies refuse to pay anything, and others do not. Some of the officers receive from \$15 to \$30 per month, in addition to their regular salary, from various sources. At Toronto and Sarnia some of the officers receive large amounts in addition to salary in this way.

2199. What are the rules and regulations in regard to seizures, and what is your opinion of their operation and effect in the Service?—When a seizure is made it is reported from the seizer at the port to the Department. If the goods are of a perishable nature they are generally sold at once. Otherwise, if not claimed within thirty days, they are liable to be sold, but the officers at the port generally wait for instructions from the Department. When sold, the proceeds, less the charges, are deposited to the credit of the Receiver-General, and await distribution by the Department. As to the operation of the system in the Service, if political influence were not allowed to interfere with the due course of law, but the seizure treated entirely on its merits, it would be more satisfactory. As it is, some officers have stated to me that they were afraid to make a seizure for fear of incurring the displeasure of a member. Some provision should be made to pay the informer a certain sum on account of his services.

2200. Do you keep a record or diary of your work when inspecting your division?—I do; my report is made to the Department from my memoranda, made at the port, immediately on my return from an inspection.

2201. Have you frequently found it necessary to leave written instructions with collectors or their officers when inspecting their offices; if so, do you convey your instructions in writing or orally?—I invariably give written instructions and send a copy to the Department to be corrected in case I am wrong. My instructions are generally carried out. I find officers most willing and anxious to get assistance and advice in the discharge of their duties.

2202. What is your opinion of the prevailing method of making appointments to the Service?—I think it is very bad. I think appointments ought to be made with reference to the capabilities of the parties, without reference to political patronage.

2203. Do you find, when making your inspections of ports, men employed in the Service who are not well fitted to perform duties assigned to them from any cause?—I do.

2204. Do you find the number employed unduly large for the work; could not the work of your division generally be efficiently discharged by a smaller number of more efficient men?—It might.

*By Mr. Taché:*

2205. How, as a matter of fact, is the service performed generally within your district of inspection?—Fairly.

2206. Are the Customs officers in your district of inspection generally efficient or are they not?—Some are efficient, some not. Generally, they are efficient.

*By Mr. White:*

2207. When did you assume charge of your division?—In 1876.

2208. When you assumed charge of your division did your predecessor furnish you with any information as to the character or efficiency of the officers whose duties you were in future to supervise?—None.

2209. Then your attention was not specially directed to any particular port in which irregularities had previously been discovered?—No.

2210. Do you not consider that when an inspecting officer hands over to his successor the charge of a division he should at the same time furnish him with all the information in his power as to the character and efficiency of the officers in the division about to be transferred?—Certainly.

*By Mr. Mingay:*

2211. You state that you do not consider it would be an advantage to the Service to change collectors from time to time to other ports. Do you not think that a system whereby all officers, including collectors, are changed from time to time as vacancies occur would tend to add to the efficiency of the whole Service by giving them a certainty of promotion as a result of merit and faithful services?—I do agree in that suggestion.

2212. Would not some defined rules of instruction to all the inspectors facilitate the carrying out your duties, and so make all inspections uniform?—Very much, indeed.

2213. Does not the want of such rules tend to weaken the usefulness of any inspection, by leaving the inspectors in an uncertainty as to their powers?—Greatly.

2214. Are there any officers, including appraisers, of the ports under your inspection who are incapable of doing their duties from old age, sickness, incapacity or bad habits?—There are some; from 10 to 15 persons so incapacitated out of about 240.

*By the Chairman:*

2215. How many appraisers are there in your division, and how many are unfit for duty from the causes named?—There are eight appraisers in my division. One is unfit for duty from incapacity.

*By Mr. Mingay:*

2216. In ports under your inspection, but more particularly in large ports, have the officers certain defined duties given them according to their position on appointment or promotion, and are any of them doing work out of proportion to the salaries paid them and the position given?—The duties are only defined according to the book of instructions furnished to the officers.

2217. If you find any officer is receiving less salary than he is entitled to, taking his merit and abilities into consideration, or another officer is receiving more pay than he is entitled to; is it a part of your instructions to notify the Department and recommend such officers either to increase of pay or reduction of pay, as the case may be?—I have never received any instructions to do so, but I have made such recommendations.

2218. Is your recommendation ever acted upon?—Sometimes it has been.

2219. Do you find that the present system of political patronage, whereby persons outside the Service are placed over the heads of meritorious officers, causes dissatisfaction in any office where this may happen, and tends to lessen efficiency?—I do.

2220. If merit were recognized by promotion and increase of pay at stated periods, would it not produce a better staff of officers throughout the Service?—A

better class of men would be induced to enter the Service, and it would also be an incentive to those in office.

2221. You state that you inspect your port's once a year. Does not so long a period between inspections place temptations in the way of collectors to misappropriate the moneys received by them, and in other officers to neglect their duties?—It may do so.

2222. If you find at any inspection that any particular act had been done which you thought ought to be amended, what is your mode of proceeding at the port where this happens?—I discuss the matter with the collector at once, and show him the necessity of changing what he has been doing.

2223. If a year elapses after giving defined instructions at any particular port, how can you ascertain they are carried out during the year?—I have no method of knowing during the year.

2224. Is it a part of your duties to give orders to any officer of a port, and order anything to be done, in a manner different to what was then being done, without consulting the collector?—No; I do not think it is. It is my duty to give the order to the collector himself.

2225. If you and a collector are at issue on any particular order you thought fit to give him, and he refused to meet your views and carry it out, what would be your mode of dealing with such a matter?—I would report the matter to the Department at once.

2226. Have you power to suspend a collector or the head of the office, and for what; and how would such suspension be dealt with by the Department?—I have been ordered by the Department to suspend a collector, but I have never suspended a collector on my own responsibility. I think I have power to suspend a collector if occasion called for it, and would take the responsibility of doing so.

2227. Do you consider it a part of your duties to interfere with the actions of an appraiser at a port as to valuations?—I have done so; but am not sure that I have the power to do so.

2228. An appraiser of a port being an independent officer by the Customs Act, whereby his decision on an appraisal is final, how can you interfere with any of his decisions or actions?—I cannot, by law.

2229. Is it not a fact that after such decision by an appraiser, the collector of the port has no power in the matter further than to submit the matter to the Department?—That is the Customs Law, I think.

2230. What is done with warrants for delivery of goods, after the goods are delivered?—I have insisted that they should be kept by the landing waiters as their vouchers for the delivery of goods.

2231. Do you not think it would be better to insist on the delivering officer signing his name on the face of the warrant as having delivered them, and afterwards handing in such warrants acted upon by him during the day to the surveyor or other superior outside officer, and that it be held to be a part of the duty of such superior outside officer to see that the regulations and all requirements are complied with?—Yes.

2232. Is not a system as above the more likely to prevent frauds and connivance between an officer and the importer?—Yes; no doubt of that.

2233. How are goods in bond placed in the warehouse under your inspection as to separation and distinguishing the goods placed in by one bond between those of other bonds; is there any regulation thereon?—In some of the warehouses they are kept very distinct. There is no difficulty in checking them. In others, the case is the reverse. They should be kept separate and distinct to prevent frauds, and no goods on which duty has been paid should be allowed to remain in warehouse.—

2234. Do you consider it a part of your duties to check and inspect the work done at different ports by the registrars of shipping and the measuring surveyors; if not, why?—I have never received any instructions as to that part of my duties.

*By the Chairman:*

2235. How many classes of entries are made at various ports and is the practice a uniform one?—There are 10 or 12 classes of entries. They are uniform.

2236. What is your opinion of the prevailing method of making sight-entries?—I consider sight-entries are a benefit to the importer; an assistance to the collector sometimes; a direct loss to the revenue; and a benefit to the Bank of Montreal. The importer if he is careless in getting his invoice has the privilege of getting his goods upon making this sight-entry instead of waiting for the invoice to arrive. Collectors in some instances have taken a cheque for the sight-entry and hold it over for him or them for months, and then getting a commission from the importer for holding it over. If it is deposited, it is deposited in the Bank of Montreal in the collector's name, and may remain there for some time, and the Government do not receive the money till the proper entry is made.

2237. How would you amend this class of entry; what would you supply in lieu of it?—I would allow the sight-entry to be made out a regular entry, and when the proper amount is known let the proper refund be made from Ottawa.

*By Mr. Mingay:*

2238. If the amount for duties received by sight-entries at any Custom house is held by the collector instead of being sent daily to the Receiver-General with other revenues, have they not the same tendency to place collectors in the position to use the funds illegally, and, therefore, are as bad as what have been called "susponso entries," and condemned by the Department?—Just the same, only one has the sanction of law, and one has not.

OTTAWA, 8th November, 1880.

D. McINNES, Esq., Chairman,  
Civil Service Commission, Ottawa.

Sir,—Will you allow me most respectfully, to suggest in addition to the answer I have made to the Commission, that collectors at the several ports be furnished with rulings of the Customs Department monthly, similar to those issued by the Treasury Board at Washington, U.S. (A copy enclosed.)

If this system were carried out, I consider it would tend to uniformity at the different ports more than anything else. As it is now, a ruling may be made and sent to the collector asking for such, but other collectors may not be aware that such ruling has been made. Consequently he may apply for information on the same question.

If, however, he was supplied with these decisions, all he would have to do would be to refer to such, and act accordingly.

Your most obedient servant,  
T. C. MEWBURN,  
*Inspector.*

The Commission adjourned at 3 p.m.

MONDAY, 8th November, 1880.

MR. JOHNSON, Commissioner of Customs, recalled:—

*By the Chairman:*

2239. Will you kindly state your views to the Commission as to the present state of the law respecting seizures?—The law respecting seizures I consider to be well conceived and efficient, so far as the means of detection and extent of penalties and confiscations are concerned; but the section of the Act which gives the power to the Minister of Customs to mitigate or release, according to his own will and his views of each case, is, I think, calculated to nullify the other provisions of the Act. The power thus placed in the hands of the Minister of Customs is very broad, and is such as is not placed in the hands of any official with reference to any other law, and it must prove seriously embarrassing to him as a political officer, inasmuch as it lays him open to all kinds of pressure from parties either directly or indirectly interested in relieving violators of the law from its penalties. The same power is

also vested in the Governor in Council, and I see nearly the same objections to that provision as to the other.

2240. Will you please to make such suggestions as may have occurred to you for the amendment of the law as it now stands?—The first amendment I would propose would be the repeal of all sections of the law which place the power of mitigation or release in the hands of the Minister or Governor in Council. I would then suggest that Commissioners should be appointed in different sections of the Dominion having power and holding office under the same tenore as the judges of ordinary courts. All seizures should first be tried before such Commissioner or Commissioners, provision being made for the right of appeal, either on the part of the Crown or the defendant to the higher courts of justice; thus placing the violators of the Customs law on the same footing as violators of any law. This plan would greatly facilitate the adjudication of such cases, which are very numerous; and the whole expense might be made to come out of the seizures themselves.

*By Mr. Mingaye :*

2241. Are there not so many different sections in the Customs Act bearing on seizures, and so many ways of proceeding, that a more simple system would, under any circumstances, insure a better carrying out of the law?—I should certainly say so.

2242. Would not a system whereby prosecution for penalties or otherwise must be had before one or more judges, without a jury, be preferable to the one in force?—I think that increasing the fines, which might be collected before the Exchequer or other Courts without a jury, and leaving out the criminal provisions of the Act, might have the effect indicated.

*By Mr. Tilton :*

2243. The importance of providing the Customs officials with a uniform was suggested to the Commission at one of the principal ports in the Dominion. Will you please state your views on this subject?—I would suggest that the Commission consider the propriety of uniforming the whole of the Customs force, especially with reference to tide-waiters and landing waiters engaged in the examination of passengers' luggage, or the unloading of ships or railway trains.

*By Mr. Brunel :*

2244. Can you inform the Commission of the actual loss the revenue has sustained during the last four years by the fraudulent or irregular removal of goods from bonding warehouses?—I cannot give that information, because the principal frauds discovered are yet in an unsettled state, and the ultimate loss is not known.

*By Mr. Mingaye :*

2245. Are you aware that the United States Treasury Department supply all collectors of Customs at the several ports of the Union with a monthly detailed statement of the legal rulings and decisions on any particular case, connected with the Customs, submitted by a collector or any person to that Department?—I am aware that they do, because I get them myself.

2246. Would not a system similar to that just mentioned be a great assistance to the head officers of all ports by giving them the power of knowing what is decided from time to time, and cause collectors to be more unanimous in their rulings?—It would, perhaps, be better to put it in that form; but the same thing is, in effect, being now done. The Customs authorities are constantly issuing circulars to collectors. I have, however, thought of issuing such a document quarterly.

*By Mr. White :*

2247. Have your inspectors any system of keeping records of the results of their inspections as regards character and efficiency of the officers at the ports inspected?—They have been instructed to keep a record of such things.

2248. Do you not consider that such a record would be of great value to an Inspector in the performance of his duties?—Yes; I think it would be valuable to him and also to the Department.

2249. If an inspector, in the course of an inspection, found serious irregularities had been committed at a particular port, and if, before he had again inspected that

port, he was transferred to another district, should he not communicate to his successor all the facts relating to such irregularities?—I would consider it to be his decided duty to do so.

This concluded Mr. Johnson's evidence.

## DEPARTMENT OF THE SECRETARY OF STATE.

EDOUARD J. LANGEVIN, Under Secretary of State, examined:—

*By the Chairman :*

2250. You are Deputy Minister for the Department of the Secretary of State; how long have you been in this Service and held your present position?—I am Under Secretary of State. I have held my position since 1873. I first entered the Service in 1865.

2251. Will you please state the various branches or duties administered by your Department?—The Department is sub-divided into four branches, viz:—The Correspondence Branch, the Queen's Printer's Branch, the Registry Branch and the Stationery Branch.

2252. Have you any knowledge of the Civil Service Act of 1868?—I have some knowledge of its general provisions.

2253. Are the conditions of that Act observed in making appointments in your Department?—I think in most cases they are.

2254. At what age are appointments usually made in this Department?—There is no fixed rule as to age or appointment.

2255. Is your staff of clerks and officers an efficient one?—Yes; I should not ask for any better.

*By Mr. Barbeau :*

2256. If clerks are appointed and examined in accordance with the Civil Service Act, will you state what sort of an examination is made, and by whom?—I believe the examination required by the Civil Service Act of 1868 has not been enforced for several years. I speak for my own Department, but I believe it is a fact as regards the whole Service.

2257. Are you acquainted with the regulations now in force in relation to appointments to and promotions in the Civil Service of the United Kingdom?—I am not.

*By Mr. Brunel :*

2258. Have you given any consideration as to the regulations for appointments to and promotions in the Civil Service of Canada, with a view to increasing its efficiency?—No; I cannot say I have given any particular attention to the subject.

*By Mr. Barbeau :*

2259. Are all the promotions in your Department filled from the lower ranks, or are you obliged to take persons from the outside for that purpose?—Promotions as a rule are made from the ranks of the Service, but appointments have been occasionally made from the outside.

2260. Could you not have promoted some one already in the Department to the positions given to those outsiders?—I could not say what may have been the reasons for such appointments, as they are in the exclusive gift of the Head of the Department.

*By Mr. White :*

2261. Are you usually consulted when promotions are made in your Department?—As a rule, yes.

*By Mr. Brunel :*

2262. What has been the effect of appointments from outside the Service on officers thus passed over and who are eligible for promotion?—It would naturally have a demoralizing effect on these persons.

*By the Chairman :*

2263. How are promotions regulated in your Department; by merit or by seniority?—I think both are taken into consideration.

2264. Do you not consider that when vacancies occur in the higher positions in the Service, those already in the Service should be promoted rather than to have outsiders appointed?—Decidedly so, as a rule.

2265. Have you any men in your Department who, from any cause, are not well fitted to perform their duties; and whose services might be dispensed with?—I know of none.

2266. With reference to the salaries which are paid, are they equitably graded, or is the pay in proportion to the work and duties performed?—I consider them to be so.

2267. Have you anyone, that you are aware of, in your Department who is receiving pay, or emolument of any sort, for any business or service outside his official duties?—I cannot say that I am aware of any one being engaged in any business that interferes with the efficiency of the Department. I have not, in my official capacity, any knowledge of anyone being engaged in any business. I have no supervision over the clerks after they have left their offices and have performed their duties.

2268. Have you any clerks in your Department besides those on the schedule sent to the Commission from your Department?—Yes; one extra clerk now, but he was not employed at the time referred to in the schedule of the Commission.

2269. Have you any duties requiring a knowledge of a technical character on the part of your officers?—Yes; the Queen's Printer's Branch and the Stationery Branch both require technical information.

*By Mr. Mingay :*

2270. Is the work of the different clerks in your Department graded according to the class they are in, and do the higher class clerks do work of a more technical character than those in the lower class?—Yes; the clerks are graded according to their different classes, and perform duties according to their class.

*By Mr. White :*

2271. You have an officer in your Department who is called Keeper of the Records, will you please explain the nature of his duties?—The Keeper of the Records has charge of all letters, registers and correspondence, which, by law, remain in the custody of the Secretary of State; makes searches for such documents and authorities as are required from time to time by Council and by the general Departments of the Government, and also by private applicants, and keeps a register of all books and documents leaving the office, and when returned to it.

*By Mr. Brunel :*

2272. How are the fees received for commissions under the great seal or other similar instruments, and for copies of documents on record in your Department, accounted for?—They are deposited to the credit of the Receiver-General monthly; so also the money received from the sale of Statutes. The whole sum amounts, as stated in the last report, to a little over \$1,000.

*By the Chairman :*

2273. Have you an attendance book?—We have.

2274. Is it regularly signed by all the officers and clerks of your Department?—It is by all officers, with the exception of the chief clerks.

2275. Do you see that the clerks and others attend regularly, and remain attentive to their duties during office hours?—The means I have for ascertaining this is chiefly the attendance book; but I have no reason to believe that any one absents himself without leave during office hours. On the contrary, clerks who wish to absent themselves always report themselves.

2276. What means have you of enforcing discipline when necessary, and what penalty do you impose?—I have never had occasion to impose any penalties.

*By Mr. Barbeau :*

2277. Does the attendance book remain open to a late hour, so that clerk can sign their names at any time without you being aware of their late arrival?—No;



the book is brought to my office at the hour stated in the Order in Council; and any one who arrives after the hour has a mark made against his name with the cause stated.

*By Mr. Brunel:*

2278. How are the annual increments of salaries dealt with in your Department? Is any certificate of efficiency required before the increments are made?—The names of the clerks entitled to the increase are submitted to the Head of the Department and recommended by him as he thinks fit.

2279. Is this list accompanied by any certificate of efficiency or good conduct on the part of the clerks eligible to receive the increase?—No formal certificate is given; but I give all information that may be required of me concerning the clerks.

2280. Then may we assume that the increments are usually granted as a matter of course, and without reference to the conduct of the clerk receiving them?—On the contrary, the conduct of the clerks is taken into consideration.

2281. Has it ever happened that any clerk in your Department has failed to obtain the statutory increment after he became eligible to receive it?—I do not remember any such case.

2282. When a clerk has reached the highest salary in his class, is he promoted, as a matter of course, to the next class?—No; not as a matter of course. I know some in our Department who have waited a number of years.

*By Mr. Tilton:*

2283. Is the present theoretical organization of the Secretary of State's Department on the basis of that provided by the Civil Service Act of 1868; and, if so, will you be good enough to state what changes, if any, you desire in such organization?—The deviations from the theoretical organization of 1868 are attributable to the various changes in the Department since that time. I am not prepared to recommend any change in the organization of the Department as it now exists. I have not considered the question.

The Commission adjourned at 6 p.m.

TUESDAY, 9th November, 1880.

LIEUT.-COLONEL CHAMBERLIN, Queen's Printer, examined:—

*By the Chairman:*

2284. Will you please to state your position in the Service, and for how long a time you have held it?—I am Queen's Printer, and was appointed in June, 1870.

2285. Will you please to state the nature of your work and duties?—Under the Statute creating the office, I have charge of the printing of the Statutes; my imprint making them authentic. This involves reading repeatedly all the Acts of each year, and separate Acts issued for the several Departments, to secure perfect accuracy. I also have the superintendence and publication of the *Canada Gazette*, the collection of subscriptions and the fees for advertisements, which are deposited to the credit of the Receiver-General once a month. I am also in charge of the supervision of the Departmental printing and binding done on contracts entered into pursuant to Statute; and the audit of outside printing accounts. For the last four or five years I have also had charge of the issuing of Government advertisements to the different newspapers, and the audit of their accounts.

2286. Are all the advertisements required for the Service and for every Department in the Service under your supervision?—They are, by Order in Council; but as a matter of fact, certain local officers, for convenience sake, and in some cases of necessity, issue advertisements to the local newspapers at once, the accounts being afterwards sent to me for audit.

2287. How many clerks or other officers have you under you in your branch?—I have four clerks and a messenger.

2288. How are they appointed; have you anything to do with their selection?—I have nothing to do with their appointment. They are appointed, like other members of the Civil Service, by the Government.

2289. Have you given any consideration to the manner of making first appointments in the Service and promotion therein?—I have given the subject some consideration. My own opinion is that more strictness in the entrance examination would be useful.

2290. What would you consider the best age for first entrance into the Service?—From 18 to 21 years, I think, are the best ages for entrance to the Service.

2291. Would you consider that an examination before entrance coupled with a period of probation before being permanently employed would furnish better material for the Service than the present system?—I consider the system of examination and probation a necessity for an efficient Civil Service.

*By Mr. Taché:*

2292. What do you think of competitive examination, and what of probation, in the selection of clerks for the Civil Service?—I am a believer in probation, but not in competitive examination, except where scientific knowledge is required.

*By Mr. Brunel:*

2293. You have expressed yourself in favor of examinations for entrance to the Service, but are adverse to competitive examinations. Will you explain what kind of examinations you mean and how candidates should be admitted to them?—I believe that, under our system of government, nominations must, from my experience, come from those responsible for carrying on the government of the country; but I am in favor of entrance examinations for the purpose of keeping out nominees unfit to do the work of the Service. I would admit to examination on the nomination of a Minister of the Crown; and I would make the examination such as to show that the candidate had the education fitting him for the work he has before him.

2294. Will you please state why you consider it necessary that nominations should be made by Ministers of the Crown?—Simply because I believe that the persons entrusted with the government of the country are best fitted to make such nominations, just as a banker or merchant would insist on the choice of his own clerks, irrespective of the opinion of any outside body irresponsible for his losses or gains.

2295. Do you consider that any other system that would be likely to secure a better selection of probationary officers would be a better one?—If it could be proved to me that more efficient servants could be obtained in another way I should favor it; so far as my study of the subject has gone I have never heard of such a system.

2296. Would not an open competition furnish a wider field to select from than when the nominations are made for political considerations?—I believe, as a rule, competitive examinations have never yet succeeded in properly testing the qualifications of a man for the Civil Service.

2297. Have you given some consideration to the system of competitive examinations for the Civil Service in Great Britain?—I have given the subject some study.

2298. What do you understand to have been the result of the system in the Civil Service there?—I consider it to have, in many respects, broken down, because the educational tests applied did not try satisfactorily the competence of men for the peculiar work which they had before them.

2299. Will you be good enough to state your reasons for saying that it has broken down, or refer the Commission to any evidence in support of that statement?—I cannot give any such evidence at this moment; what I have said before is the general idea I have obtained from my reading on the subject.

2300. Are you aware that the application of it has been extending from one branch of the Service to another up to the present moment?—I am aware of late years it has been extended to several branches of the Civil Service.

2301. Is there at this present moment any branch of the Imperial Civil Service to which it is not applied?—I am not certain.

2302. If, as you say, it had broken down would it continue to be extended after the trial it has had for so many years?—I think there are periods of manias of all kinds which must run their length.

*By Mr. Barbeau :*

2303. Do you consider that an examination made by members of the Civil Service, as required by the Civil Service Act of 1868, would have as good results as if carried on by persons not in the Civil Service, and free from all outside influences?—I have not given the subject close attention; but my opinion is that, outside, independent examiners would be better.

*By the Chairman :*

2304. Do you consider that the prizes in the Service should belong to those in it in preference to conferring them on outsiders?—I think it would tend very much to the efficiency of the Service if they were kept for those who had worked their way up in the Service. I think it is often a great discouragement to deserving officers that they have no assurance that the promotion they work for will be obtained.

2305. How do you account for the fact that outsiders are frequently brought in notwithstanding that it has a prejudicial effect on the Service?—They are at times brought in by means of political pressure.

2306. Then, your opinion is opposed to appointment or promotion through political patronage?—My opinion is already recorded, that I think the nomination should be made by the Ministers of the Crown.

2307. Would it, in your opinion, be an improvement on the present system, that Civil Service Commissioners be appointed by the Ministers of the Crown, in the same manner as the Judges are now appointed, who would have the power of regulating the examination of candidates as well as promotion in the Service?—I have already stated that I believe that an outside body of examiners, to keep out unfit candidates for official positions, might be very useful; but I am strongly of opinion that promotions within the Service should be made solely on the recommendation of the Deputy-Heads of Departments, who know the work that is done. I would trust, much sooner, for ascertaining a man's merits and worthiness for promotion, to the knowledge of his daily work than to all the examinations that were ever held.

*By Mr. Brunel :*

2308. Is it not within your experience that appointments to the Civil Service, especially to the outside branch of it, by Ministers of the Crown are, in a majority of cases, practically, appointments by members of Parliament?—It is to my knowledge that local patronage is given, as a rule, upon the recommendation of the member for a constituency if he be friendly to the party in power.

*By Mr. Mingaye :*

2309. There is a Civil Service Act in force which declares that candidates for appointments must first be examined. How—as this examination has never been carried out, evidently for political reasons—can you explain why you are in favor of placing men in the Service through political patronage alone, and are unwilling to see an attempt made to organize a system for the better carrying on the Civil Service of this country?—I may say that I was not aware till I entered this room that no examinations were held by the Board in accordance with the Act. This provision of the law was at one time carried out, and I am by no means satisfied that it was altogether due to political reasons that it fell into desuetude. I have already stated that I conceive an entrance examination to be very valuable. My impression is also very strong that any attempt to build up new barriers in the future will scarcely prove more successful than those of the past.

*By Mr. Tilton :*

2310. Are there not a number of offices in the Service the duties of which are of such a character that persons entering at an early age could not be expected to perform them efficiently?—My impression is that the provision in the Civil Service Act allowing appointments from the outside where a fit man for a particular service cannot be found within it, is necessary.

2311. By what process would you test the efficiency of the official to be brought into the Service from outside?—I have never given that subject special consideration; but the rule hitherto followed of selecting men engaged in pursuits which should give the necessary knowledge and experience is a pretty safe one—if strictly acted upon.

*By Mr. White :*

2312. Do you think that, if all the first appointments to the public service in Canada were subject to open competition it would have a beneficial effect upon education generally?—It might possibly do so; but in this connection I consider only the well-being of the Civil Service.

*By Mr. Brunel :*

2313. If it were uncertain who would be appointed to any vacant place in the Civil Service, would not that uncertainty have a tendency to prevent the creation of many places of emolument, and so promote economy in the public service?—I have no experience which would enable me to answer that question satisfactorily to myself.

2314. Will you be good enough to state your opinion as to whether, if members of Parliament ceased to exercise the patronage that has been referred to in a previous question, they would be likely to guard the public interests with greater jealousy, in so far as relates to the creation or continuance of unnecessary offices?—I think it quite possible, at times, members might be restrained in the direction indicated; but I do not think, from my long intercourse with men in Parliament, that they are frequently swayed in the use of their votes by such paltry considerations as the creation of patronage. I consider it a grave responsibility which they ought to undertake. But it involves, as far as my experience goes, more plague than profit.

*By Mr. Tilton :*

2315. Does your experience as "The Queen's Printer" enable you to make any suggestion to further improve the system that now exists with reference to the public printing?—I should like to reply in writing.

I do not think that, in so far as economy is concerned, the present system can be improved upon; but I think it is quite possible that more excellence of work, and at times greater speed in its execution, might be secured by the establishment of a Government printing office. Whenever work is taken at such low rates as now prevail, in consequence of the keen competition among tenderers, there is a tendency to get work accepted which, in a Government printing office, would not pass. The most painstaking official does not care to exact from a contractor the very best that can be done when he knows what is furnished is not sufficiently paid for, though not the very best. In so far as I have been able to consider the subject, without an opportunity of studying carefully the working of either the British or French systems, or that of the United States, I very much doubt whether the practical good to be obtained from a change of system would balance the certain additional expense.

I believe, however, that it would be well to adopt the system which, in some branches of the Service, prevails in Great Britain, and only to ask for and accept tenders from men well established and well known in the business, with enough plant, or somewhere near enough, to do the work tendered for. I do not think the scramble among outsiders with neither knowledge of the business nor plant to carry it on, tends to promote fair competition or good work after a contract is so secured. To start a man in a business new to him, on the strength of a contract so scrambled for, is not fair to men established in and conversant with the business.

I believe, also, that a provision giving the Government the power to renew these contracts, upon a fair readjustment of prices, with contractors who have given satisfaction, would promote efficiency and the easy working of the system. Now, if a new contractor obtains the work, one year out of the five is passed before he gets his office properly adapted to the work and his staff properly organized. There are numerous vexatious hitches and delays, involving losses to the contractor, if not also to the Department. Thus one-fifth of the period of the contract expires before it begins to work smoothly; and nothing would be a greater incentive to punctuality

and good work on the part of a contractor than a knowledge that if he gave satisfaction during the first five years he would have a good prospect of a renewal. It would encourage him specially to keep his plant and material in the best order.

Suggestions have, from time to time, been made that the best plan of all would be to allow the Queen's Printer to settle a scale of reasonable prices, and allow work to be done at such local centres by such establishments as the Government of the day might decide upon. Doubtless, this were best if we considered only the question of a fair distribution of patronage over the country; but it would, of necessity, be less economical. It would tend to prevent a proper supervision and checking of the work, and destroy the uniformity which is necessary for the proper working of great Departments—such as the Post Office, for instance—in forms and returns which require subsequent tabulation, etc.

I would submit, with respect to the retail sale by me of the Statutes and *Canada Gazette*, that it would be better if one or more leading booksellers in each of the large towns were intrusted with this work, accounting for their sales from time to time; and at the same places might be kept for sale, at the cost of the paper on which they are printed, parliamentary blue books. Under the present system of giving these away they find their way into the hands of many who have no use for and waste them, and those who really desire to preserve them to put to good use must beg them as a favor or go without. If the above system—which is that long established in the Mother Country—were adopted here, the distribution would be more usefully made and some small revenue obtained to recoup the cost of printing.

I think it would be well if the system pursued by the Post Office inspectors in ordering advertising—*i.e.*, the use of a printed form enjoining close setting and the method of measurement to be allowed—were extended to the Postmasters, as well as to the local officers of all the Departments who require to issue advertisements, without having opportunity to refer to the head office.

OFFICE OF THE QUEEN'S PRINTER,  
OTTAWA, 13th Nov., 1880.

D. McINNES, Esq.,  
Chairman, Civil Service Commission.

SIR,—I desire, if the Commissioners will permit me, to add a statement to my evidence given on Wednesday last, upon a subject about which I was not questioned.

I should like to state the very strong opinion which I entertain of the utter injustice of the present superannuation deduction from salaries, and their mode of application.

The man of pluck and zeal works on in the Service till he dies, if he is permitted. The reward for his zeal and the return for the monies he has contributed to the fund—perhaps for many years—are *nil*!

The man without interest in his work, who makes a crafty calculation of chances, may secure superannuation while he is still good for other work; or the Government, desiring to make changes in the office, turn him out without any actual necessity for it. He is well provided for. His superannuation is possibly good to the public service of the country, as letting in a better man for the work—or, possibly, to the Government politically, as providing a new place—but it is of no benefit whatever to the persons who remain in the Service doing their work and contributing, *against their will*, to the fund which enables the Government so to relieve themselves of what they, justly or unjustly, regard as an incumbrance.

I submit that the Government should (as the Imperial Government does) undertake the cost of superannuation altogether; or, if any contributions to the fund are exacted from us, some equivalent should be provided for the wives and children of those who die in harness for the the pleasant superannuation allowance which is given to those who retire often with many years of active life before them.

I trust this view of the case may receive the favorable consideration of the Commissioners.

I have the honor to be, Sir,  
Your very obedient servant.

B. CHAMBERLIN.

#### DEPARTMENT OF JUSTICE.

Mr. Z. A. LASH, Deputy Minister of Justice, examined :—

*By the Chairman :*

2316. Will you kindly state what position you hold in the Service, and how long you have held it?—I am Deputy Minister of Justice, and have been so since 1st September, 1876.

2317. How many branches are there attached to your Department, and will you kindly state the nature of the work and duties?—There are two branches, the Department proper and the Penitentiaries Branch. There are at present five penitentiaries for the Dominion. There is an inspector of penitentiaries, who is an officer of the Department of Justice, with general executive control over the administration of penitentiaries, subject to the Minister of Justice. The inspector is the head of the Penitentiary Branch of the Department. The local administration of the penitentiaries is carried on by the wardens and staff, subject to the directions of the inspector. In addition to the inspector, there has been, since 1st July, 1880, an accountant of penitentiaries, who is an officer of the Department of Justice, responsible to and subject to the control of the Minister. His duties are connected with the accounts and financial affairs of the various penitentiaries. In the Penitentiaries Branch there is one clerk, at present a senior 2nd class clerk. With the exception of the penitentiary in British Columbia, all accounts for articles purchased each month, for the use of the penitentiaries, are transmitted by the wardens to Ottawa, for inspection before payment, and are paid by the Finance Department, on the certificate of the inspector and the authority of the Minister, or myself, the Deputy-Minister. The accounts in British Columbia are submitted to an assistant-inspector, living there, and are transmitted to Ottawa after payment; this is on account of the distance of the penitentiary from Ottawa. With the exception of the sum voted for the contingencies of the Penitentiary Branch, the Department has no direct control over any moneys, all payments being made by the Finance Department on request. The business of the Department proper consists almost entirely of matters referred to it from one or other of the remaining thirteen Departments; such matters being referred when some legal question is involved, upon which the other Departments desire legal advice or legal action. Among such matters referred, are considerable numbers of applications to the Governor General for pardon of criminals; the references are made for the recommendation of the Minister with respect to the action to be taken thereon by the Governor General. With the exception of the sum voted for the contingencies of the Department proper, the Department has no direct control over any moneys.

The Dominion Police Force, consisting at present of 20 men, is under the control of a commissioner of police who is a clerk in the Department of Justice. The men are appointed on the recommendation of the Minister of Justice, and the pay-list for their wages each month is certified by myself. With that exception, the Department has no special connection with them. If they may be considered as attached to any Department they are attached to the Department of Justice.

2318. Do you furnish your inspectors of penitentiaries with any written instructions for their guidance and defining the extent of their authority over those whom they inspect?—There is a general code of rules for the administration of the penitentiaries. The inspector's general powers and instructions are contained in these and in the Penitentiaries Act; but it is usual for him to ask special instructions from

the Department in cases requiring his action as they arise. He does so and receives instructions.

2319. The whole of the police force attached to your Department are employed about the buildings in Ottawa, of whom you have said there are twenty. Do you consider that the duties which they are called to perform might be done with a smaller number?—I am unable to give any satisfactory answer to that question because their duties are almost exclusively in connection with the buildings and public works in Ottawa. It is only the Public Works Department that could give an answer. Although called a police force, the duties of the men are those of caretakers of the buildings during the day and night; the superintendent receives instructions from the Public Works Department as to the general duties required of the men in connection with the buildings. They have constables' powers; but, unless in connection with something happening in or around the buildings, they are never called on to exercise them.

2320. Do you not consider it an anomaly and prejudicial to the efficiency of the Service that any employes of the Government should be nominally attached to one Department while they receive their instructions from another?—I think it is an anomaly, but, so far, I am not aware that it has worked prejudicially to the interests of the public.

*By Mr. Barbeau:*

2321. What is the cost to the country of that force?—I think the expenditure for the last year was about \$11,000.

*By the Chairman:*

2322. Have you given any consideration to the question of Civil Service reform, with a view to the improvement and efficient administration of the Civil Service of this country?—I have not given the subject sufficient study to enable me to express an opinion upon any particular scheme with reference to the appointments, etc., in the Service. I think, however, at least two results or ends are desirable. 1st. That the appointments should be removed as far as possible from what I may call outside control, in which I mean to include political influence and personal friendship; and 2nd. That the permanent Head of the Department, whose daily comfort is affected, favorably or unfavorably, by the efficiency or inefficiency of his staff, should have some substantial control over the permanent appointments to his staff. I do not think it would be well to vest the appointments themselves in the permanent Head, because that would be but a new way of vesting them in the Minister, but I think the permanent Head should be able to determine whether or not a clerk should be retained after a certain probationary term.

*By Mr. Barbeau:*

2323. How do you think promotions should be regulated so as to act as an encouragement to meritorious officers already in the Service?—I think efficiency for the particular post vacant should be first considered; assuming, as between two or more, equally efficient, seniority in the Service should have the preference.

2324. How are appointments in your Outside Service, say in the Penitentiaries, made?—The warden, deputy-warden, chaplains, accountant and surgeon are appointed by the Governor in Council, on the recommendation of the Minister of Justice. The chief keeper, matron, deputy-matron, store-keeper, school-master, steward and trade-instructors are appointed by the Minister of Justice, without Order in Council. The guards, keepers and messengers are appointed by the warden, and are subject to dismissal by him.

2325. Is the fitness of these officers subject to any official or other test before they are appointed, and do they serve any probationary term before their appointments are confirmed?—None of the officers appointed by Order in Council, or by the Minister, serve any probationary term. The officers appointed by the warden serve a probationary term of six months before receiving a permanent appointment. None of the officers appointed by Order in Council, by the Minister or the warden, necessarily undergo any examination as to their fitness, but it has been customary to make enquiries respecting their fitness; and, in the case of accountants and others

requiring technical knowledge, it has been customary to subject them to an examination.

2326. Do you hold the same opinions in relation to these outside appointments and to promotions in that branch of the Service as you have expressed with reference to the Inside Service?—I do.

*By Mr. Barbeau:*

2327. Is it to your knowledge that incompetent officers have been named to the penitentiary service; and, if so, have they been retained, notwithstanding their unfitness?—I am not prepared to answer.

*By Mr. Minjaye:*

2328. Has the inspector no power over the guards, as to suspension and dismissal, if they are found to have misconducted themselves?—The inspector has general powers over the staff of a penitentiary, and, certainly, can suspend anyone, from the warden down. Whether he can absolutely dismiss a guard or keeper I do not now remember; his powers in that respect are defined in the Act of 1875. He has no power to dismiss the superior officers.

2329. Which of the officers and guards connected with penitentiaries, as mentioned by you, partake in the benefits of the Superannuation Act?—The Warden, deputy-warden, surgeon and accountant; and in Kingston the Protestant chaplain.

*By Mr. Tilton:*

2330. Please state the duties of the Commissioner of Police?—He has general executive control over the force.

*By Mr. Taché.*

2331. Are you generally satisfied with the *personnel* of the Department of Justice, and is the work of the Department generally done to your satisfaction?—I am. It is.

*By the Chairman:*

2332. Have you in your Department, or in any of the branches thereof, too many officers or other employes, or any who are unfit for the proper performance of their duties from any cause, and whose service might be dispensed with?—I have not too many for the work to be done. There are none who are unfit for duty, or whose services might be dispensed with.

2333. Are there extra clerks employed at times in the penitentiaries where pay does not appear in the ordinary pay-list?—There are none.

2334. What is your opinion of the annual increment to salaries as it now exists, irrespective of merit or particular qualifications?—I think the principle is decidedly wrong. I think it adds a large annual cost to the Service without producing a corresponding benefit.

2335. How would you have salaries increased?—I have not studied the matter sufficiently to reply.

*By Mr. Tilton:*

2336. Will you please state the mode adopted by the Department of Justice in making payments through the Finance Department, and the reason for adopting this course?—The reason for adopting the course I cannot say, as I found it in existence when I came to the Department. I have a horror of accounts or of dealings with money, and have no desire to see a change in the general system, which is as follows:—First, as to the Penitentiaries. The warden transmits every month the accounts of the liabilities incurred by him for supplies, &c., for the previous month, duly certified by himself;—after inspection in the Department, these accounts are certified by the Inspector, and are transferred by me to the Finance Department for payment. That Department or the Auditor-General then issues to the proper bank near the penitentiary a credit in the name of the warden and his accountant for the total amount. The warden is informed of it, and he issues cheques to pay the accounts. After being receipted, the accounts are transmitted to the Finance Department as vouchers, and the warden's cheques are also transmitted when received from the bank. As to the Department proper, when any payment has to be made out of any vote, subject to the control of the Department, a letter is written to the Auditor-



General requesting him to pay the amount, accompanied by the necessary vouchers, if any.

2337. Can you inform the Commission why some officers of your Department pay the superannuation tax while it is not exacted from others occupying exactly similar positions?—I know nothing of this matter. I believe that hitherto such matters have been controlled by the Treasury Board.

2338. Do you transmit accounts for payment, irrespective of any information as to what relation the expenditure bears to the amounts voted?—Certainly not. In Penitentiary accounts this question forms part of the inspection before payment, and appears clearly upon a schedule accompanying the accounts of each month, showing the details of the intended application of the amount voted. With respect to the expenditure in the Department proper, this matter is practically of no moment, as the expenditures are few and far between, and confined to one or two votes.

*By Mr. Mingay :*

2339. Are there not a great many matters coming before your Department which are necessarily made in the French language, and would not a knowledge of that language by all the officers under you be a great advantage in their carrying on their duties, and therefore should form part of any examination for entrance into your Department?—With the exception of myself, the Chief Clerk and the Register Keeper, there would not be a great advantage in having the clerks in the Department possess a knowledge of the French language, as the matters which come before the Department in French are generally those which require the attention of myself or the Chief Clerk and the Register Keeper; but, I think, it would be desirable for many reasons that as many officers as possible should have a knowledge of the French language.

1340. Do you think that the general knowledge of the French language in all the Departments would be of general advantage to the whole Inside Service?—I think the more a man knows the better for himself and all about him.

The Commission adjourned at 6 p.m.

## DEPARTMENT OF RAILWAYS AND CANALS.

WEDNESDAY, 10th November.

F. BRAUN, Secretary of the Department of Railways and Canals, examined :—

*By the Chairman :*

2341. Will you please to state what position you hold in the Department of Railways and Canals, and for how long a period you have held it?—I was appointed Secretary to the Department of Railways and Canals after the Act of 1879, constituting the Department. Previous to that, in March, 1864, I was appointed Secretary to the Department of Public Works. In April, 1854, I first joined the Civil Service.

2342. Will you please to state the nature of the duties or work which you have to perform?—I am charged with the general correspondence of the Department, subject to the instructions of the Minister or his Deputy; am in charge of papers, records, documents, maps, plans, in fact, of all the documents of the Department. On reference to the Act all the duties of the Secretary will be soon set forth.

2343. How many officers or other employes are there in the Department, over whom you exercise supervision?—To state them by branches, there are: the Accountant's Branch, the Record Room, the Correspondence Branch, &c., the charge of plans. The Chief Engineer of Canals is also in our Department. The Chief Engineer of the Pacific Railway, and his staff, are at head-quarters, and may be considered as forming part of the Inside Service of the Department.

2344. How are the clerks or other employes appointed in the Department?—The permanent clerks are appointed by Order in Council.

2315. Are you ever consulted as to any of the appointments?—I am not.

2316. Are the clerks entering the Service examined as to their fitness for the duties they have to perform, as required by the Civil Service Act of 1863?—I am not aware.

2317. Are there, then, in your Department any officer or other employé who, from any cause, are not well fitted to perform their duties?—I am not aware of any one in the Department unfit or disqualified.

*By Mr. Barbeau :*

2318. Does the present system of making appointments expose you to employ unfit subjects?—So far, I might say that the persons appointed have proved capable.

*By the Chairman :*

2319. How are promotions regulated—are persons already in the Service promoted to vacancies or are outsiders sometimes brought in?—Since I have been in the Department there have been very few vacancies. I am not prepared to say if appointments to these vacancies would have been considered promotion. There is very little promotion in the Department. The *personnel* of the Department has scarcely been increased since Confederation.

*By Mr. Barbeau :*

2350. What is your opinion about examination and a term of probation, prior to appointment? Do you think the adoption of such a system would be of a nature to improve the efficiency of officers?—In the Accounts Branch and the Engineering Branch and the Corresponding Branch, such an examination would be very necessary. In the other branches, I do not consider it would be.

2351. Can you state why it would be unnecessary in the other branches?—Assuming that the candidate is possessed of a common education, the duties with which he would be entrusted being of a simple character, he would easily fulfil them if possessed of ordinary intelligence.

2352. What other means would you have to ascertain the qualifications of candidates?—I would test them at their work in the office.

*By the Chairman :*

2353. How are the salaries regulated; do the clerks receive regular increments annually?—Yes; they receive the \$50 increase, subject, of course, to the approval of the Minister. There have been a few instances in which the Minister refused the increase.

2354. For what cause was the increment not given; and have the clerks to whom it was not paid been retained in the Service?—I do not know the cause, it being altogether within the knowledge of the Minister. No dismissals that I recollect took place.

*By Mr. Barbeau :*

2355. Do you think the present system of allowing annual increments to salaries, irrespective of merit, is advantageous to the Public Service?—As a rule, I do not think it is advantageous.

*By the Chairman :*

2356. Are some of the clerks, by reason of this annual increase to their salaries, paid high salaries for work which might be performed by clerks receiving a lower scale of salary?—That is the case.

*By Mr. Barbeau :*

2357. Have you any extra clerks whose pay does not appear in the ordinary pay list; and, if so, how many?—There are some, but I do not know how many.

2358. To what service or appropriation is the salary paid them charged?—They are paid out of the appropriation for the works.

2359. In what manner are contracts asked for, and by whom are they received and opened?—Contracts are asked for by advertisement signed by me. Tenders are received by me as Secretary. They are taken into the Deputy by me and opened by me in his presence and that of one of the clerks.

2360. What precautions are taken to prevent outside parties from getting information about the tenders received?—I keep the sealed tenders together under lock and key till I take them to the Deputy.

2361. How much have the advertisements in your Department cost in the last year, and to how many newspapers have they been sent?—The amount for the past year is \$24,744.72; the number of newspapers, 253.

*By the Chairman:*

2362. Are the officers whose positions in the Department enable them to gain a knowledge of the terms of the tenders sent in by contractors bound not to divulge the knowledge thus obtained by them?—The clerks in the Department all understand that they are not at liberty to make use of any knowledge obtained in the discharge of their duty.

*By Mr. White:*

2363. Have you an attendance book?—There is such a book.

2364. Is it signed by all the officers and clerks in your Department?—It does not come before me but before the Deputy.

*By Mr. Tilton:*

2365. Are there not in the Department of Railways and Canals several employes who have been there for years, but who do not pay superannuation tax?—There are several in the Department who do not pay superannuation, whose salaries are charged to construction services.

Mr. JOHN BAIN, Accountant of the Department of Railways and Canals examined:—

*By the Chairman:*

2366. Will you please state how long you have been in the Service and held your present position?—I have been in the Service since January, 1857, and have been all that time in the same position.

2367. Please to state how the appropriations voted by Parliament for the various works and services in your Department are dealt with?—An appropriation book is opened, in which the sums voted are entered, and the amounts drawn marked therein against each separate appropriation. The books are balanced at the end of the year. Amounts due by the Department are paid by a certificate accompanied by a voucher, which is sent to the Audit Office for payment. We have now a letter of credit for a certain sum, out of which small payments are made direct by departmental cheque.

*By Mr. Tilton:*

2368. Do delays ever occur in making payments through the Finance Department which would be avoided if such were made directly by the Department of Railways and Canals?—I do not think there is anything that could be called delay, but the system requires a little time to be carried out.

2369. Has it not happened, in your experience, that persons entitled to receive payments from the Department have complained of not receiving such payments promptly?—There may have been complaints, but I cannot recall any at this moment.

2370. Do you prefer the system at present existing of making payments through another Department than your own, and, if so, please state your reasons for such preference?—I have, so to speak, grown up with the present system, and, therefore, prefer it.

2371. Will you please state what payments are made directly by the Department of Railways and Canals under the letter of credit system?—They are principally monthly salaries, advertising accounts and petty payments for contingencies, chargeable to appropriations.

2372. You have informed the Commission that vouchers always accompany an account or certificate when sent for payment. Will you be good enough to state the character of such voucher, when making advances to the outside officers of the Department?—An application is made by the Engineer in charge stating what is wanted, and sometimes he sends the application as a voucher.

Commission adjourned at 6 p.m.

THURSDAY, 11th November, 1880.

Mr. JOHN PAGE, Chief Engineer Railways and Canals, examined:—

*By Mr. Barbeau, Acting Chairman:*

2373. What position do you hold in the Service, and for how long have you held it?—I have been about 39 years in the public service, and about 28 years in my present position, as Chief Engineer of the Department of Railways and Canals.

2374. Please define your duties?—My duties are various, including the designing and execution of the various public works of the Department.

2375. How are first appointments made in your Department?—The engineering staff is generally named by myself. The superintendents of canals are permanent officers, and are appointed by the Government. The Minister does not appoint a man in charge of works of construction without consulting me; these officers communicate with me directly, and not with the Minister.

2376. Are the superintendents of canals and the working staff appointed generally fitted for their duties, and are you consulted for these appointments?—I have said I am not consulted as to these appointments. In some cases when they are first appointed the men are not very suitable to their places.

2377. Do you know of any other method of appointment which would give better subjects?—I do not know how, by any other method, you could get better men. Probation sometimes would and sometimes would not be of value. If men are appointed who are familiar with public works from the beginning, that would give a better class of servants.

*By Mr. White:*

2378. How many clerks are there attached to your office at headquarters?—One clerk (sometimes two) and four draughtsmen, comprise my staff; sometimes there are more and four draughtsmen.

*By Mr. Taché:*

2379. Is it or is it not your opinion that the best school and the best examination are found in the actual working of your branch?—Yes; I think that is correct for the class of officers we require.

*By Mr. White:*

2380. Do you think that your staff, as now constituted, meets the requirements of your Service or could you suggest any improvement?—No; I do not know that I could, at present, suggest any improvement.

*By the Chairman:*

2381. Are the duties of most of your officers and employes mainly technical?—Yes; they are all of a professional and technical character.

2382. What do you consider the most suitable age for first entrance into your Service?—They should make the work of the Department the first business of their education; that is, the men should all be trained before they come into our service.

*By Mr. Brunel:*

2383. Are the salaries of the employes working under you determined by yourself; if not, how are they determined, and are their salaries duly proportioned to their duties and responsibilities?—Very frequently the salaries are determined by me; but not in all cases. I refer mainly to the Outside Service.

*By the Chairman:*

2384. Are all the officers and employes under you on the permanent staff?—There are none of my officers on the permanent staff. I do not think it necessary, considering the nature of the work they are engaged in, they should be on the permanent staff. Some abandoned their position on the permanent staff, formally, when they were promoted in the Outside Service.

2385. Will you please to state the various public works at present in progress?—The enlargement of the Welland Canal; the deepening of the Galops Rapids; the Cornwall Canal; the Lachine Canal enlargement; the St. Anne's improvements on the Ottawa; the Carillon Canal and Dam; the Grenville Canal; the Ottawa River improvements.

## CUSTOMS DEPARTMENT.—(Continued.)

Mr. JOHN LEWIS, of Montreal Customs, re-examined:—

*By Mr. Brunel :*

2386. Have you, as surveyor, any special duties or responsibility in relation to the Customs warehouses in your port?—I have.

2387. Will you be good enough to explain in general terms what they are?—I am required to see that the goods in all the bonding warehouses are checked every quarter, or four times a year, and to report to the Department any deficiencies.

2388. Have you, at times during the past four years, received special instructions from the Department in relation to the inspection of warehouses at the port of Montreal?—There have been special instructions received within the last four years, but the date I cannot exactly recall. They were, I think, with reference to spirits or wines that had been in bond beyond a certain time.

2389. Did you carry out those instructions without unnecessary delay?—I think all the warehouses were examined containing the goods referred to. There was no delay that I am aware of. The work caused considerable trouble.

2390. Having made such special inspection, did you discover any circumstances of an unusual nature, or any evidence of important irregularities?—I have no recollection of any during that time which could not have been accounted for from natural causes; there may have been one or two exceptions, but not of any serious moment, such as the transfer of spirits for the filling up of other casks, after having obtained permission to do so.

2391. Are you aware of any special circumstances that rendered the issue of such an order by the Department necessary?—I think, to the best of my recollection, it must have been in consequence of some frauds that were committed; but what particular frauds I do not know, as several frauds on the revenue had been committed by the abstraction of spirits from bonded warehouses, all of which were reported to the Department as soon as they became known to the Montreal office.

2392. Have you ever offered any objection to the inspection of the bonded warehouses at your port by the inspector of ports?—Never; nor have I ever heard of any objection being offered to him on the part of anyone.

*By the Chairman :*

2393. Are you sometimes deputed to perform the duties of collector so as to interfere with your duties as surveyor?—I am sometimes deputed to act as mentioned, but my duties as surveyor are not interfered with.

*By Mr. Mingaye :*

2394. What officers at your port administer the affidavit required by the Customs Act?—The chief clerk or the officer who may be immediately concerned. The chief clerk in administering the oath on inward entries and other officers in administering them on outward entries.

2395. Under what authority do they do so?—I presume, on Order in Council in reference to the officer administering the oath on inward entries; and the other officers by the authority of the collector.

2396. Can you give the number of sufferance warehouses in your port in present use?—Seven or eight, including warehouses at railroad stations and on wharf.

2397. Can you give the number of bonding warehouses at your port?—There are 87 actually occupied at this date.

2398. Can you give the number of lockers or other officers employed at these warehouses, both sufferance and bonding?—There are 25 lockers employed in the bonding warehouses.

2399. Under the last regulations respecting bonding and other warehouses, were those in use, prior to such regulations, of a kind which would come up to the requirements thereof when they came in force; how were such warehouses treated?—Some of the warehouses were up to the requirements of the new regulations, but not all; and those not so were allowed to continue by special subsequent instructions to that effect.

2400. What is the effect of keeping on those warehouses not coming up to the regulations?—As towards the revenue, I have no present recollection of any frauds

perpetrated in any of the old warehouses, or warehouses not in strict accord with the present regulations, since those regulations came into force. But a very large fraud has been committed in a warehouse which was in accord with the new regulations.

2401. You have already stated, in reply to a question previously put to you at Montreal, that you considered a considerable saving would be effected by establishing Government warehouses. Provided such a system were carried out, can you inform the Commission what saving there could be made at your port, and how?—A large saving in the number of officers employed, and greater security in preventing frauds.

2402. Would the storage fees of such Government warehouses, with proper management, be a gain or loss to the Government; and can you give any explanation whereby this could be done?—At Montreal the storage fees would, in all likelihood, exceed the expense as well as cover the rent; and suitable warehouses might be erected or leased for that purpose. The present system also might be improved by limiting the warehousing of goods to an extra building, owned by others, but under the control of the Government, in so far as the revenue is concerned; the owner of the warehouse charging the usual warehousing fees to parties having goods there.

2403. Could not the surveyor, inspector of ports, and all other inspecting officers, inspect the goods warehoused under such a system in a much more efficient manner and in much less time?—Yes; not a tenth of the time would be spent in inspecting.

2404. How long a time do you think, at present, it ought to take to make one thorough inspection of all your warehouses?—From a month to six weeks.

2405. Have such thorough inspections been made at your port, and when and how often, within the last four years by the inspector of ports?—No; not a thorough and complete inspection.

*By Mr. Brunel:*

2406. Would the contemplated saving to the Government by the change in the warehousing system which you advocate involve the sacrifice of any important private interests in property now used as bonded warehouses?—It might and doubtless would.

2407. Will you be good enough to state, for the information of the Commission, what system of warehousing and kind of bonded warehouses would best reconcile the interests and convenience of the merchants with the safety of the revenue and economy of management?—I consider the present system objectionable in cases where a bonded warehouse is in the same premises as those occupied for private business, and into which warehouse access can be had only through those premises, and that the combined interests of the merchant and Government could be effected by a bonding warehouse adjoining private premises into which access could only be had by an outside door, under a Customs lock, and that any communication with an adjoining warehouse should be by means of an iron door secured within the bond.

*By Mr. Tilton:*

2408. Is it not the fact that the rapid facilities now afforded by rail and steamers for the transit of merchandise render less necessary for the purposes of trade the keeping of large stocks of goods in bond, and the maintaining of so many private warehouses?—Yes.

*By Mr. Brunel:*

2409. Do you consider that the salaries paid to the officers of the port of Montreal are, as a rule, fairly proportioned to their duties and responsibilities?—No; not as a rule. I do not hesitate to say that generally the officers are underpaid. For instance, the supernumerary officers are paid at the rate of a dollar and a half per diem, when employed only, a less sum than is earned by ordinary laborers working on the same wharves. There are also other officers whose salaries are small, and have not been advanced for several years, and have no prospect of being advanced. In fact, I think a system should be adopted with the view to advance worthy officers to a maximum sum, which would tend to improve the Service.

2410. Have you ever considered the question of "duty pay," that is giving additional pay while an officer is employed on duties involving unusual responsibilities, such duty pay being arranged as to constitute a reward for meritorious conduct?—I

have considered the question, and think that officers employed on other and more responsible duties than their regular duties should be paid an additional sum per diem when so employed.

2411. Do any landing waiters or other officers of Customs at Montreal receive regular pay from any railway company or shipping firm in addition to their official salaries?—No regular pay; but when employed beyond office hours they are paid extra, according to the regulations of 1858.

2412. Can you state to what extent this occurs, and how the pay so received by such officers is managed?—All such payments are made through the collector. The amounts received by the collector are not deposited to the credit of the Receiver-General, but paid direct by him to the employés.

2413. If this extra pay were refused by any person or company called upon to pay it, how would the collector act, and would the work after hours still be done by an officer for such person or company?—No absolute refusal to pay such sum has ever occurred; but such service would not be again rendered to such person or company if not paid for. In cases where any doubt has existed as to the parties being unwilling to pay, the payment has been exacted in advance.

2414. What is your opinion as to the expediency of allowing officers to receive additions to their salaries in that way?—I think it is unavoidable in certain cases and necessary for the convenience of business.

*By Mr. White:*

2415. Have you formed any opinion as to the advantage of a scale of salaries rising in each class, from a minimum to a maximum, by annual increment, as compared with a scale giving the same salary to each individual in the class, irrespective of length of service in the class?—I have, and reported on it in one or two cases, to the effect that I support a gradual increase of salary. I will send a copy of this report.

2416. Do you not think a knowledge of both French and English absolutely necessary to enable Customs employés in the Province of Quebec to perform their duties properly?—I consider that it would be a great advantage in many cases; but I have no recollection of any merchant transacting business in the Customs House who is not familiar with the English language; and all documents are made in English.

FRIDAY, 12th November, 1880.

Mr. LEWIS, of the Montreal Customs House, appeared to explain his previous evidence:—

My remarks, in reply to question 2407, had reference more especially to warehouses for the storage of spirits and wines, and not to sugars, molasses, chemicals, pig iron, heavy hardware, machinery, and such like goods.

*By Mr. Brunel:*

2417. Can you inform the Commission as to the approximate loss the revenue has sustained through frauds in regard to the warehousing of wines and spirits during the last four years?

The Commission adjourned at 6 p.m.

DEPARTMENT OF RAILWAYS AND CANALS.—(Continued.)

MONDAY, 15th November, 1880.

Mr. T. TRUDEAU, Deputy Minister of Railways and Canals, examined:—

*By the Chairman:*

2418. Will you please state how long you have been in the Service and held your present position?—I entered the Service in 1859, and have held my present position since 1864.

2410. Will you kindly state generally the nature of your work and duties?—I am the Deputy of the Minister. My work consists in the general charge of the Department. I am familiar with the general transactions of the Department.

2420. Is there any examination for admission or promotion in your Department?—There is no formal examination for either.

2421. The Act of 1868 provides for examination for admission into the Service; can you state when the provisions of that Act ceased to be acted upon?—I do not recollect the date of the last examination; it is some years since.

2422. How are first appointments at present made in your Department and in the Service generally?—They are made by the Minister on the recommendation of well-known citizens. In most cases persons are appointed for short periods on trial, and if found suitable they have a chance of being made permanent.

2423. What is your opinion as to the effect on the Service generally of the prevailing method of making first appointments?—I cannot say that the effect is a bad one.

2424. You have stated that candidates have generally to serve a period of probation. Will you please state for how long, and whether any have been discharged by reason of unfitness?—The question does not admit of a precise answer. Owing to the unequal pressure of work in the Department the staff is open to increase or diminution at certain seasons. Persons admitted at these periods undergo a practical probation, and, if efficient, may be retained; if not, they are allowed to go when their services are no longer required.

2425. What do you consider the best age for first entrance into the Service?—I have never considered that question; but I do not think it detrimental to a man to have been engaged on other business before he enters the Government Service. I think, indeed, that the possession of experience so gained would be rather in his favor.

2426. Do you not consider that it would promote the efficiency and economy of the Service that those who enter the employment of the State should do so when young, with a view to make it the business of their lives?—I do think so.

2427. Have you given any consideration to the Civil Service system prevailing in Great Britain?—No.

2428. Do you consider that a system of examination for candidates, which would be suitable to the work and needs of the Service, and a period of probation afterwards—say six months or a year—would procure the best material for the Service, and from which to make promotions?—I do, but I attach more importance to the actual probation than to the examination.

*By Mr. Barbeau:*

2429. At what age are first appointments generally made. Please state the age of the youngest, and that of the oldest, who received their first appointments in your department?—The age of the youngest employee appointed since Confederation was 21 years, and that of the oldest 39 years, at the date of appointment.

2430. Does it sometimes happen that inefficient clerks are appointed?—Yes; it does happen.

2431. Are you obliged to retain them in the Service, notwithstanding?—If they are permanently appointed it is very difficult to remove them.

2432. How are promotions regulated in your Department?—Promotions are made by the Minister, and he generally enquires as to the efficiency and good conduct of the employees when he is about to make a promotion.

2433. Has it happened that outside persons have been named to offices to which clerks already in the Department could have been promoted?—Yes.

2434. Do you not think this is of a nature to discourage meritorious officers, and to check the zeal which they would show if a reward in the way of promotion could be depended upon?—I do.

*By Mr. White:*

2435. You have, in reply to a former question, stated that you thought it rather an advantage than otherwise, that men should have been engaged in some other



business before entering the Public Service; do you not think that, inasmuch as young men are more easily trained, more amenable to discipline, and more likely to submit willingly to the enforcement of regular habits, those advantages are equal to those you would obtain by previous outside training?—In the Department of Railways and Canals there are many engineers employed; and in the case of engineers, I have no doubt whatever that their efficiency could not suffer from their having seen other than Government service. With reference to the other employes it is not of so much importance; I think it would be well if they entered the Government service at an early age.

*By Mr. Brunel :*

2436. With reference to men who have been engaged in other business before entering the Public Service, is it not probable that in such men the public will generally have for its servants those who have been rejected by private employers, or men who have themselves been unsuccessful in business?—I do not think so.

2437. Do you think such unsuccessful or rejected men are as likely to make good civil servants as young men of good character and ability who enter the Service in early life with a view to making the Service the business of their lives?—Unless such rejection or unsuccess has been consequent upon fraud or malpractices, I think the chances are equal.

2438. Are professional men, such as engineers, draughtsmen, &c., who are employed in your Department, as a rule employed temporarily or during the duration of the works on which they are engaged?—Generally during the execution of the works on which they are engaged.

2439. How are such men usually selected, and how are their qualifications ascertained?—They are examined by the Chief Engineer in charge of the work, and on the recommendation of the Engineer they are appointed by the Minister.

2440. How is their rate of pay determined; have you any general regulations in relation thereto?—There are no general regulations, but the salary is fixed by the Minister on the recommendation of the Chief Engineer.

*By the Chairman :*

2441. How many different grades or classes of clerks or officers have you in the Inside Service in your Department, not including engineers?—We have first and second class chief clerks, first class, senior and junior second, and third class clerks—six classes in all.

2442. Would your opinion be in favor of adopting a simpler classification, or reducing the number of grades and classes, and what salaries would you attach to grades so reduced?—It does not appear to me that re-classification or reduction in the number of grades would effect the Department advantageously. I am, consequently, not in a position to offer any opinion as to the salaries to be attached to such readjusted grades.

*By Mr. Brunel :*

2443. Are you satisfied with the organization of your Department as it exists?—I am satisfied with the existing organization of the Department as provided for in the Estimates for the current financial year, at page 16. That is to say :

- 1 Deputy-Head.
- 1 Chief Clerk, Secretary.
- 1 Accountant.
- 1 Chief Clerk.
- 1 Chief Engineer Canals.
- 1 do Railways in operation.

- 7 First Class Clerks.
- 1 Senior 2nd Class Clerk.
- 7 Junior do
- 2 3rd Class Clerks.
- ... Private Secretary.
- 2 Messengers.

Total.....25

*By Mr. White :*

2444. Are the official letters sent from your Department copied by press or by hand?—By press altogether.

2445. What is your experience as to the practical value in your Department of a knowledge of both the French and English languages?—A large number of letters written in French are received and must be answered in that language. It seems to me that the services of an individual who can write and speak both languages are more valuable than those of a man who can only speak and write one language.

2446. As regards first class clerkships, do you not consider that the duties of such a clerkship should be clearly defined, so that the position and salary may be inseparable from the performance of the duty?—Yes; I do.

2447. Do you attach any value to the system of giving annual increases of salary?—These annual increases are made on the recommendation of the Minister; and they are valuable when it is understood that the Minister will not recommend these increases if good service is not rendered.

*By Mr. Tilton:*

2448. Has the annual increment ever been withheld from any employé of your Department?—My impression at this moment is that it has.

*By the Chairman:*

2449. Have you a larger number of employés, either in your Inside or Outside Service than are needed for the work and duties?—No.

2450. Have you in your Inside or Outside Service any employés who, from any cause, are not well fitted to perform their duties, and who in the interest of the Service should be superannuated or be dispensed with?—No; when an officer in the Outside Service becomes incapacitated for the performance of his duties, the case is reported to the Department by the engineer-in-charge; it is considered in the Department, and dealt with by the Minister. I know of no case in the Inside Service.

2451. Are the salaries which are paid so adjusted that the pay is fairly in proportion to the work done?—Not absolutely.

2452. Does not that arise from the fact of there being so many grades or classes of clerks?—I do not think so.

2453. You have stated that your Department at certain periods employs a number of temporary clerks; do you think this desirable?—I think that as many as possible should be made permanent; but, at the same, time I think it would be impossible to conduct the business of a large Department without employing extra clerks now and then.

2454. With regard to the salaries of these temporary clerks; under what head are they entered in the Public Accounts?—Most of them are charged to the appropriation for the works in connection with which they are employed.

2455. When temporary clerks are employed, either for your Inside or Outside Service, by whom are they appointed?—All appointments for temporary service, both in the Inside and Outside, are made by the Minister.

*By Mr. Tilton:*

2456. Are extra clerks paid for Sundays and legal holidays?—Yes.

*By the Chairman:*

2457. What are the hours of attendance in your Department?—From 9.30 a.m. p.m.

2458. Do you keep an attendance book in which all the clerks and officers enter their names as they arrive, and is the attendance regular?—Yes, a book is kept; it is signed, with some exceptions, by the officers; and the attendance is satisfactory. I make a practice of visiting the several rooms of the Department every morning.

*By Mr. White:*

2459. What are the allowances for travelling to the officers of your Department?—Three dollars and a half per diem for those of the inside, exclusive of actual moving expenses.

2460. Have you any clerks or employés who are engaged in any business from which they derive a profit outside their duties to the Department?—Not that I am aware of.

2461. Do you think that it would be expedient to compel men, by a general regulation applicable to the whole Service, to accept superannuation on reaching a certain age?—I do not think so.

*By the Chairman :*

2462. Have you given the question of the present system of superannuation any consideration; if so, can you make any suggestions for its improvement?—I have no suggestions to offer.

Commission adjourned at 6 p.m.

### PRIVY COUNCIL OFFICE.

TUESDAY, 16th Nov., 1880.

MR. J. O. CORLE, Clerk of the Privy Council, examined:—

*By the Chairman :*

2463. What is your position, and how long have you been in the Service and held your present position?—I have been Clerk of the Privy Council since January last, but have been in the Service in the same office for 35 years.

2464. Is there any examination for admission or promotion in your Department?—No examination. There are regulations, but they have not been put in force. The clerks recently appointed have not been examined.

2465. What is the present mode of making first appointments in your Department?—They are made by Order in Council, on the recommendation of Ministers, when there is a vacancy.

2466. Then the Act of 1868 has been allowed to fall into disuse?—As far as our Department is concerned.

2467. What is your opinion as to the effect in the Service generally of the present manner of making appointments to it?—I have not given the subject much consideration.

2468. What do you consider the best age for candidates on first entrance to the Service?—From 20 to 25 I think is the best age for entrance.

2469. Do you believe that it would promote the efficiency and accuracy of the Service if there was a system of examination for candidates before being appointed?—I do think so.

2470. Does it sometimes happen that inefficient clerks are appointed, that is clerks not well suited for the work?—It very frequently happens.

2471. Are they retained in the Service notwithstanding their unfitness?—They are.

2472. How are promotions regulated in your Department; by seniority or merit?—By seniority. Of course there have been exceptions.

2473. Are appointments to these vacancies sometimes made from the outside world and not of employés within the office or Service?—I do not remember any case recently in our Department.

2474. How many grades and classes of clerks or officers have you in your Department?—We have one grade and three classes, four grades in all.

2475. Will you please state the various salaries paid to each grade, in the minimum and maximum of each?—Chief clerks, 1st class, salaries rising from \$2,000 to \$2,400; chief clerks, 2nd class, salaries rising from \$1,800 to \$2,200; there is a third class of chief clerks whose salaries do not exceed \$2,000. 1st class clerks begin at \$1,200 and rise to \$1,800; 2nd class clerks are divided into two branches, the senior class getting from \$1,100 to \$1,400; the junior from \$700 to \$1,000. The third class clerks rise from \$400 to \$650. Probationary clerks enter the Service at \$300 per annum.

2476. Do you believe that fewer classes and grades of clerks would be better for the efficiency as well as accuracy of the Service?—I do not see any inconvenience in the system; I could not suggest any change. It depends a good deal on the work of

each Department how many classes are required. In the Privy Council Office all might be of two classes, first and second.

*By Mr White :*

2477. In view of the confidential character of the business of your Department, do you exact from your employes any formal declaration that they will not divulge the contents of papers passing through their hands?—There is no formal declaration as to secrecy; but I warn the clerks against indiscretions. Confidential communications are frequently known as well in other Departments as in the Privy Council.

2478. Are the clerks in your Department required to possess a knowledge of both the English and French languages?—It would be desirable, but it is not required from the clerks.

2479. Could you furnish the Commission with suggestions for the improvement of the organization of your Department, with a view to greater efficiency as well as economy?—In our Department the present classification might be simplified by reducing the number of grades and classes to two classes, first and second, as the work is mainly of the same description for all the clerks.

2480. At present, then, you have clerks who receive different rates of pay for doing the same work; does this arise from their being so many classes, and the yearly increments of salary?—Yes; the difference of salaries arises from the classification and from the gradual rise of salaries by yearly increase.

*By Mr. Brunel :*

2481. Will you explain the difference between the work you would assign to your proposed first-class clerks and the work you would assign to your proposed second-class clerks, and the difference you would recommend between their salaries?—As to difference of salary, I am not competent to speak. As to difference of work, the work of the first-class should consist in supervising the work of the junior class, and occasionally attending to the indexes.

2482. Will you state your opinion as to the annual increments to salaries under the existing regulations, and whether you think such increments are calculated to promote efficiency and economy?—I think the annual increment is a great encouragement to young men on entering the Service.

2483. Have you any more clerks or other employes than are needed for the work of your Department?—No.

2484. Nor any who from any cause are not well fitted for their work or duties?—They are all young men and efficient, and attend always till six o'clock.

2485. Do you keep an attendance book which all the officers and clerks are required to sign; and is the attendance regular?—Yes; it is strictly kept; all clerks sign it; and the attendance is regular.

2486. Have you any clerks or employes who are engaged in any business from which they derive a profit outside their duties to the Department?—We have none.

*By Mr. Tilton :*

2487. Are statutory and Saturday half holidays usually observed in the Privy Council Office, and are the hours which the employes work the same as those in other Departments?—As I have said, the clerks are required to attend daily till six p. m., except during the Session. The statutory holidays and Saturday afternoons are not, as a matter of fact, holidays in our Department, as the clerks are generally required to attend to business.

2488. In view of your answer to my previous question, do you not think that the clerks in your office might fairly be entitled to some consideration for the extra hours of work they perform; or might they not with justice be rated at a higher classification than clerks performing similar duties in other Departments?—Possibly they might be rated higher; but it is to be observed that they are allowed to go out during the day, in view of their having to stay later in the office.

*By the Chairman :*

2489. Have you given the question of the present system of superannuation any consideration; if so, can you furnish the Commission with any suggestion for its improvement?—No; I have not.

## GOVERNOR GENERAL'S OFFICE.

Mr. JOHN KIDD, Acting Secretary of the Governor General, examined:—

*By the Chairman:*

2490. Will you please state how long you have been in the Service and held your present position?—I have been 23 years in the Service and in the same office, with the exception of one month.

2491. Will you kindly state generally the nature of your work and duties and those of your staff?—I entered the Service as a first-class clerk, but have acted as chief clerk most of the time. As to the work of the staff generally: Our register entries are about 3,000 annually; transfers to other departments 200; despatches to and from the Colonial Office about 1,000, each despatch from Colonial Office containing from three to four sheets of enclosures; despatches addressed to Washington, Newfoundland, the Commander-in-Chief and the Admirals on the stations, number about 200; all letters and despatches outward and memoranda by the Governor General have to be entered in books. The late Governor General and his successor inaugurated a system of distributing materials to educational institutions, which involves a correspondence of about 1,004 letters. A scrap-book is also kept for which 210 papers have to be examined weekly. About 100 papers are sent weekly to the Colonial Office. All parliamentary papers have to be sent weekly to the Colonial Office and the Board of Trade. A precis of correspondence of any length has to be made for the Governor General. A note correspondence is also kept up with the Government House, of which no special record is kept, representing about 20 letters daily. During the Session a good many Returns are called for by Parliament which involve special work in our Department. Our diplomatic correspondence is also carried on in duplicate.

2492. How are first appointments at present made in your Department?—They are made by the Government on the nomination of the Governor General.

2493. Is there any examination for admission or promotion?—In my own case the examination was made; but in the latest appointments no examination has been exacted. The latest appointee was six months on probation; I consider that equal to an examination.

2494. Do you consider that a system of examination for candidates, which would be suited to the work and needs of the Service, coupled with a probationary period, would be the best mode for making first appointments?—Yes; I am of that opinion.

2495. What system of examination would you recommend, and before whom should these examinations be held?—I should prefer a competitive examination before a Board for first appointments.

*By Mr. Taché:*

2496. On what would you rely the most; on examination or on probation?—On probation.

*By the Chairman:*

2497. What would you consider the best age for candidates on their first appointment?—From 18 to 20 years.

2498. Have you given any consideration to the present classification and grading of the officers and clerks in the Service?—I have not given that subject any consideration.

2499. Are you satisfied with the present organization of your office. Have you any suggestion to make concerning it?—Considering the important duties devolving upon the Chief Clerk, it is considered that he should be designated as an Assistant Governor General's Secretary and rank with a Deputy Head. With regard to other officers, an additional copying clerk would seem desirable.

2500. Are the numerous copies of documents transmitted from your office made by press or by hand?—The majority of them by hand. I do not think in our office the press could be used any more than at present.

2501. Are the employes in the Governor General's Office required to be conversant with both the French and English languages?—No.

*By Mr. Taché :*

2502. Is your staff efficient, and are you satisfied with the work done in your office?—Very efficient. Perfectly satisfied.

*By the Chairman :*

2503. Do you employ temporary clerks in your office?—As a rule we do not. Any extra pressure of work is given out for copying. It is paid for at the rate of 10 cents per folio of 100 words; or \$1.50 per day when an extra clerk is employed.

2504. Do you keep an attendance book which the clerks in your office are required to sign?—We do not, and I think there is no necessity for it in our office.

*By Mr. Brunel :*

2505. Is the business of your office chiefly correspondence or are there any other matters that occupy the time of your staff?—Chiefly correspondence.

2506. Could the work be so classified as to indicate the comparative importance of each part of it, the degree of responsibility imposed on the clerks to whom each class of work is assigned, and the comparative ability required for the performance of each class of work?—I think not; the responsibility rests on all, but mainly with the Chief Clerk.

2507. Then, is it to be understood that all the work is of equal importance?—The more important duties belong to the chief clerk; but the work done by others is of equal comparative importance.

2508. Is it, then, your opinion that all the clerks below the chief clerk should possess equal ability and receive equal salaries?—Equal ability, yes; but they should not receive equal salaries, because the third clerk does not, on the whole, perform as much important work as the second.

*By Mr. White :*

2509. In view of the large amount of valuable correspondence of which copies have to be kept in your office, are any special means taken to preserve such correspondence from risk of destruction by fire?—No.

2510. What allowances are paid to officers of your Department when travelling on public business?—They are various. To begin with myself: At one time the Government allowed me 50 cents per diem. I protested, and it was increased to a dollar. I refused that. It was then increased to \$2 per diem for personal expenses. Later on, I was allowed \$2.50 per diem. That was put on trial at Niagara, where I lived for six weeks, and am largely out of pocket since that time. The same thing took place at Cacouna. I am about \$500 out of pocket by these two trips. I protested again, and was allowed \$5 per diem. This rate has now been fixed by the Treasury Board. With regard to the officers, their actual bills are paid at expensive places; but, as a rule, the allowance is \$2 per diem.

The Commission adjourned at 6 p.m.

## FINANCE DEPARTMENT.

WEDNESDAY AND THURSDAY, 17th and 18th November, 1880.

Mr. J. M. COURTNEY, Deputy Minister of Finance, examined:—

*By the Chairman :*

2511. Your position is that of Deputy Minister of Finance. Will you please state how long you have been in the Service and held that position?—I entered the Service in June, 1869, and was appointed, Deputy Minister of Finance in August, 1878.

2512. How are first appointments made in your Department?—By Order in Council, on the recommendation of the Minister.

2513. Is there any examination for admission or for promotion?—None whatever.

2514. Then, the Act of 1868, which provides that examinations should take place, has been allowed to fall into disuse?—Yes; as far as I know.

2515. What is your opinion as to the effect on the Service generally of the present system of making appointments to it?—Since I became Deputy Minister of Finance only two first appointments have been made in the Inside Service of the Department. I am unable to judge of a system by only two instances.

2516. What do you consider the best age for candidates on entering the Service?—From 18 to 25 years.

2517. Are you well acquainted with the Civil Service of Great Britain or other countries, and the manner of making appointments and promotions therein?—I am not personally acquainted with those systems, but have read about them.

2518. Do you believe that the efficiency and economy of the Civil Service of this country would be promoted by the adoption of a system of examination, coupled with a probationary period, before permanent appointments are made?—Decidedly, yes.

2519. What kind of examination would you recommend?—Open and competitive.

*By Mr. White:*

2520. Are you aware to how many branches of the Civil Service in Great Britain the practice of making first appointments by open competition has been extended?—No; I am not aware.

*By Mr. Taché:*

2521. Are you aware whether it has or has not been adhered to by the Administration of the day?—I think it was modified slightly by the late Administration, but adhered to strictly by the present.

2522. From what you have formerly stated, is it to be understood that you recommend the powers of appointing public officers to be withdrawn from the responsible Ministers of State?—I do not understand that that idea was involved in my reply to the former question.

2523. Do you think, then, that the power of nominating and appointing should be retained by the Ministers?—Except in the highest positions I think it would be better for the Ministers if they divested themselves from these duties.

*By the Chairman:*

2524. If examinations did not relate to educational acquirements alone, but also to the specific work and duties required, would not the qualifications of the candidate be fairly tested thereby?—I should think so.

2525. Do you believe that the appointment of Civil Service Commissioners by the Government, in the same manner as the Judges are appointed—who would conduct the examination of candidates for the Service—would be an improvement on the present system?—Yes.

2526. What is your opinion of the present system of grading the Service. There are at present eight different grades receiving as many different rates of salary. Do you think that fewer grades would be more suitable?—I cannot answer for other Departments; in my own I think there might be less.

*By Mr. White:*

2527. What is your opinion as to the effect upon the Service of a system of promotion based upon merit and excluding, as a rule, the selection of persons outside the Service to fill vacancies?—Presuming that this question does not include promotion to the highest positions, I am of opinion that such a system would greatly improve the Public Service.

2528. You state you are in favor of promotion by merit, "provided it did not include the highest grade;" how, then, will you fill these higher positions?—I would allow the Ministers to appoint them. All things being equal, however, I should, of course, be glad to see the promotion made from the Service.

*By Mr. Brunel:*

2529. Is it, in your opinion, better that first appointments to, and promotions in, the Civil Service should be kept free from political influence?—Yes.

2530. Will you explain how, in your opinion, that object can best be attained?—By the establishment of a Civil Service Commission.

2531. How, in your opinion, should such a Civil Service Board be constituted, and what should be its tenore of office?—It should be constituted in the same manner as the Civil Service Board of England, and the tenore of office should be the same.

2532. Have you, in your Department, any clerks or other employes who from any cause are not well fitted to perform their duties, and whose services might be dispensed with?—I would prefer not to answer that question.

2532a. Have you any reason for supposing that the Civil Service has heretofore been to some extent a refuge for men who, for one cause or another, have been unable to earn a living in other avocations?—To some extent. I wish, however, in answering this question, to state that it does not necessarily follow that a man unable to earn a living in other avocations should, as a matter of course, be unfit as a Civil Servant—very many men are good servants but bad masters. If failure outside has worn out and exhausted a man's energies it would be different.

*By Mr. Taché:*

2533. Is the work of the Department of Finance efficiently performed by its present staff?—The work is kept up without arrears and is, so far, efficient.

*By Mr. Brunel:*

2534. Could it, by a better organization, be performed with equal efficiency and at less cost?—I do not know that it could be performed at less cost.

*By Mr. White:*

2535. Is it your opinion that an attendance of 6½ hours a day, with three weeks leave of absence annually, is as much as the public ought to expect from civil servants in the Departments at Ottawa?—Yes.

2536. As respects clerks of the first-class, do you think it desirable that the duties of such should be clearly defined, and the position and salary given only to the officer performing the duty assigned?—Yes; I do.

2537. Have any persons having special qualifications been appointed to your office?—There has been one appointment since I took my present position.

2538. Do you consider a knowledge of both the French and English languages essential to a proper performance of the duties of your office?—It is desirable but not essential.

2539. Are the official letters sent from your Department copied by press or by hand?—By a press.

*By Mr. Brunel:*

2540. Could the work in your Department be so classified as to indicate the comparative importance of each part of it, the degree of responsibility involved in its performance, and the comparative ability required for the performance of each class of work?—I have no doubt it could.

2541. Would it be possible, by such a classification, to make the salaries more in proportion to the importance of the work done by the respective clerks than they now are?—I have no doubt that could be done.

2542. What is your opinion of the prevailing practice in the service of giving yearly increments of salary, that is the statutory increase?—I do not like it. I think it to be unjust in its incidence, and as administered it is also unjust between the good and indifferent men.

*By the Chairman:*

2543. Would you be in favor of a scale of duty pay in each grade or division of clerks to be attached to special work or duties requiring superior abilities on the part of the clerk to be able to perform them, and which would be looked to as promotion or one of the prizes of the Service?—I have not given lately enough attention to the subject to enable me to give an opinion, but the idea was a salient part of the report of the Playfair Commission, and the system is in vogue in the Bank of England, the London and Westminster Bank and elsewhere. Such being the case, I think I should be influenced in favor of a system of duty pay.



*By Mr. White :*

2544. Do you not think that grouping officers together in classes has a tendency to lessen the demand for individual increases of salary?—Possibly it would. At all events it is worth a trial.

2545. What is your opinion as to the advantage of a scale of salaries rising by annual increment from a minimum to a maximum in each class?—I have grave doubts as to the value of annual increments.

*By Mr. Tilton :*

2546. Has the annual increment ever been withheld from an employee of the Finance Department?—Not that I know of.

*By the Chairman :*

2547. With reference to the salaries which are paid to your clerks are they in proportion to the work performed?—Generally so—in some cases, perhaps, the salaries are not commensurate with the work performed.

2548. Do you require to employ temporary clerks, and what is your opinion as to the expediency of their employment?—At present there are five or six extra clerks employed in the Department; as a rule, I do not like extra assistance, but in certain cases it may be desirable, as for instance, in copying returns required for the Houses of Parliament.

*By Mr. White :*

2549. At what rate are your temporary clerks paid?—Two are paid at \$2.50 per diem; and the rest at \$2.00; and they are paid for Sundays and civil holidays.

2550. Do you think that temporary clerks should be paid by the day or by piece-work?—In the Finance Department they should be paid by the day.

2551. You have, I believe, in your office a number of female clerks; what is your opinion as to the manner in which they perform their duties?—There is only one female clerk regularly attached to the Department; the others employed are occasional assistants taken on and discharged as occasion requires for purely mechanical work.

2552. What is your opinion as to the desirability of employing female clerks?—For certain positions in the Public Service, I think that women are well qualified, and, in those positions it might be desirable to employ them.

*By Mr. Tilton :*

2553. Have there been any changes in the staff of the Finance Department since the return of the employes was furnished the Commission, and if so, please say to what extent?—Yes; one clerk at \$1,800 has been superannuated, and one at \$1,400, although still on the pay-list, has been transferred to Winnipeg; their places have not been filled.

*By the Chairman :*

2554. Will you please state your views as to the present office accommodation in your Department?—It is defective, structurally. It would be better to have one large room with many clerks than a great number of rooms with each one or two clerks. I prefer one large room to even two large rooms.

2555. Referring to your previous answers respecting office structural arrangements, first appointments and promotions, if the offices were arranged as you suggested, and first appointments and promotions made in the manner stated by you, what effect would it, in your opinion, have on the efficiency and economy of the Public Service?—I think it would have a good effect.

2556. Do you believe that with larger rooms as stated by you that the economy and efficiency of the Service would be promoted?—Yes; I have no doubt of that.

*By Mr. White :*

2557. Have you any persons employed in technical duties in your Department?—Probably the superintendent of insurance would come under that head.

2558. Has a system of imposing fines for misconduct been adopted in your office?—No.

2559. Do you think that under the present Civil Service Act the Deputy-Head of a Department has the power to impose a fine upon the employes of his office for

misconduct?—I should think not, on reading the Act; he has only the power to suspend.

2560. Do you consider that the power of imposing fines for misconduct should be given to a Deputy Head?—I have never considered such a question, but it would be better to strengthen further the hands of the Deputies.

*By the Chairman :*

2561. Do you keep an attendance book, and is it regularly signed by all the officers and clerks?—Yes; I keep such a book, and it is signed by all except the chief clerks and the private secretary.

2562. What is your opinion respecting the payment for extra work; that is work which, in times of pressure, has to be done after the regular or official hours by the permanent staff?—Generally, I am not in favor of payment to the permanent staff for extra work, but think that at times the Deputy Head should have power to pay the permanent staff extra for abnormal work.

*By Mr. Tilton :*

2563. Please state the reason which renders necessary the working of your staff after hours, or the employment of extra clerks?—Chiefly the preparation of Parliamentary Reports, and Returns.

2564. Is your opinion with reference to the annual increment, based upon the fact that it has been given indiscriminately in the Service, or are you opposed to the principle?—I am opposed to it on principle, but gathered from observing its effects here.

*By Mr. Brunel :*

2565. You have expressed doubts as to the expediency of giving abnormal work and pay therefor to permanent clerks; will you please explain your reasons for entertaining such doubts?—I think it would be desirable to pay for abnormal work.

*By the Chairman :*

2566. Your Outside Service consists of Assistant Receivers-General, savings bank agents and auditors in the Provinces of New Brunswick, Nova Scotia, Prince Edward Island, Manitoba, British Columbia, and one at Toronto; are the various savings banks inspected, and, if so, how often?—They are inspected, and once a year; the duty is now performed by the financial inspector.

2567. Are the accounts, on the occasion of those inspections found in order, or are there irregularities discovered; and have any losses arisen from such?—There have been losses; but, as a rule, the accounts are found in good order. The sureties have not been released in the cases of loss, and the cases are in suit at present.

2568. Do you sign all official cheques issued by your Department?—I sign all certificates on which cheques are issued; and all official cheques requiring my own signature are signed by myself, other official cheques are signed by the Auditor-General and myself, or one officer of either Department.

*By Mr. Barbeau :*

2569. Do you ever inspect the books of the other Departments, and have suggestions been made with the view of modifying the system of book-keeping adopted by them?—I have seen most of the books of other Departments, but it is not part of my duty to inspect them.

2570. Are you in a position to state whether you are satisfied with books of account kept in the other Departments?—I am not in a position to state.

2571. Do you not think that more uniformity in the manner of keeping the books of the various Departments is desirable?—In preparing the Audit Act, I suggested a permissive clause, copied from the English Audit Act, giving the Treasury the oversight of books and the power of making them uniform.

2572. Are the records on financial matters kept by the Finance or the Audit Department?—By the Finance Department.

2573. Is the correspondence made by any employes without its being seen by you?—Almost all letters I see before they are sent out.

2574. Are all the letters received laid before you?—Generally speaking, they are.

2575. Can the Minister at any time obtain from his Department all the information he may require without waiting until it is obtained from other Departments?—Certainly.

2576. If any error is discovered in any of the returns received from other Departments, is it the Finance or Audit Department that sees to its correction?—The Finance Department, if the returns are made to it.

2577. To which of these two Departments do the outside branches make returns of their operations?—They are made to both.

2578. Is there any delay in sending these returns to the Finance Department so that entries may be made?—There is no undue delay.

2579. Please state in what manner the Dominion notes are printed for and delivered to Government?—They are printed on requisition by the Department and are delivered when so printed.

2580. Are not large amounts of these always held by the engraver, and what precautions are taken for their safe keeping?—I do not think that large amounts are held by the engraver. The engraver has fire proof vaults in which any surplus notes are stored.

*By the Chairman :*

2581. Is the system of book-keeping and accounts devised by yourself, and are they ever inspected by the auditor?—The auditor has nothing to do with the books of the Finance Department. Some of the books have been devised by myself and I propose to make alterations in some others.

2582. How frequently is the account of the Finance Department with the various banks adjusted by comparing the balances, as shown by the account rendered by them, with outstanding cheques?—With all the banks each month.

*By Mr. Barbeau :*

2583. How long after the close of the fiscal year can the Public Accounts be printed; and can you suggest any method which would simplify the form in which they are printed?—If the returns come in as provided for in the Audit Act, there is no reason why the Public Accounts should not be ready by Christmas. I have no suggestion to make at present as to the alteration of the Public Accounts.

*By Mr. Mingay :*

2584. Are the bank drafts remitted for collection made by Customs, Inland Revenue, and all other collections, sent direct to your Department?—Customs remittances are sent direct; the I.C.R. receipts through the Department, but there is no delay.

2585. Are, then, bank drafts accompanied by a bank deposit receipt and letter of advice?—They are accompanied by the triplicate receipt.

2586. Is there an acknowledgment or receipt in all cases sent for each remittance?—Certainly not. The depositor has already a receipt.

*By Mr. Tilton :*

2587. Do you approve of the system of payments, as at present existing in several of the Departments, under the authority of letters of credit; and has, to your knowledge, any inconvenience or improper payments occurred under the system referred to?—I approve of the system, and have no knowledge of any inconvenience arising or improper payments made thereby.

*By the Chairman :*

2588. How are travelling expenses paid in your Department; are they paid by an allowance of so much per diem, or are actual disbursements allowed?—In some cases the per diem allowance is given; in others a lesser per diem allowance.

2589. Have you given any consideration to the question of superannuation; if so, have you any suggestions to make for its improvement?—I am not in a position to make any suggestions, but consider a proper system of superannuation results in economy and efficiency in the Public Service.

*By Mr. White :*

2590. Supposing that it were compulsory upon all civil servants to retire upon attaining a certain age—do you think that such a regulation would be advantageous to the Service?—It depends on the age.

2591. Under the provisions of the present Superannuation Act an officer who has served thirty-five years becomes entitled to a retiring allowance of seven-tenths of his annual salary, and no additional service can entitle him to any higher allowance; do you think that if the Government deem it to be in the interest of the public to retain in the Service an officer who has served his full term of thirty-five years for a further period of say eight or ten years, such officer should receive any additional retiring allowance for such additional service?—Under the English system of superannuation provision is made in certain cases for retiring allowances not exceeding the full salary paid the retiring officer, but the provision is carefully fenced about and treasury minutes are required for each case, which minutes have to be laid before Parliament.

*By Mr. Brunel:*

2592. Can you furnish the Commission with a statement showing how the Superannuation Act, as heretofore administered, has affected the cost of carrying on the Public Service in your Department?—Not conveniently at present.

*By Mr. Tilton:*

2592. (a). Do you not think the operations of the Superannuation Act might, with advantage to the Service, be extended so as to grant limited annuities to the wives and children of deceased civil servants?—I imagine that there is a difference between a retiring allowance to a public servant and annuities or endowments to his wife and children. In many institutions life insurance forms part of the scheme of administration, and acts advantageously, but I believe it is generally separated from superannuation. *Vide e.g. London and Westminster Bank.*

2593. Are the officers in the lower grades in your Department generally possessed of qualifications and abilities that would fit them for promotion to the higher grades as vacancies arise?—Generally so.

*By the Chairman:*

2594. The scope and nature of the enquiry for which this Commission was appointed has been already conveyed to you—the creation of a new theoretical organization for each Department is specifically mentioned. Will you be good enough to give your views on this important point, and upon any other not fully brought out or decided during your examination?—I have no suggestions to make. For the present and only for the present, excluding the Financial Inspector and the Insurance Branch, I think this Department requires 3 chief clerks (graded alike); 6 first class clerks; 24 second class clerks (grades combined); 3 third class clerks.

#### DEPARTMENT OF RAILWAYS AND CANALS.—(Continued.)

FRIDAY, 19th November, 1880.

Mr. D. POTTINGER, Chief Superintendent of Intercolonial Railway, examined:—

*By the Chairman:*

2595. Will you please state your position on the Intercolonial Railway, and how long you have been in the Service?—I entered the Service in July, 1863, and was appointed to my present position on the 21st February, 1879. Prior to that I was General Storekeeper from August, 1874; and from November 9th, 1872, to August, 1874, I was Station-Master at Halifax. From May, 1871, to November, 1872, I was Cashier of the Nova Scotia Railway.

2596. Will you please state generally the scope of your authority and the nature of your work or duties?—I am the head of the railway, under Mr. Schreiber, and have a general supervision of all the work on it. For convenience of working, the railway is divided into six departments; each of these departments has a separate head: 1st. The general freight and passenger department. 2nd. The traffic department (this is divided into two parts—one district extending from Quebec to Moncton, the other from St. John to Halifax, Point du Chêne and Pictou); each of these two districts has a separate Superintendent. 3rd. The engineering department; this department has the charge of the maintenance of way and works, including buildings and bridges. 4th. The accounting department, which has charge of all the accounts,

and in which the accounts from the different departments centre. 5th. The mechanical department, which has charge of all the rolling-stock and machinery. 6th. The stores department, which has the purchasing, issuing and care of all stores, and materials of all kinds.

*By Mr. Brunel :*

2597. Do you contribute to the superannuation fund? How many of the employes under your supervision contribute to that fund?—I contribute myself, and have done so since 1871. The accountant, the mechanical superintendent, the general freight and passenger agent, the traffic auditor and the paymaster also pay superannuation; the others do not pay.

*By the Chairman :*

2598. Are the officers, clerks or other employes over whom you have control selected and appointed by yourself; if not state by whom they are appointed?—The appointments are made under Mr. Schreiber's direction, and the promotions also. When vacancies occur, I inform him of the fact and sometimes recommend some person already in the Service to fill the vacant place.

2599. Do you know, of your own knowledge, whether the persons so appointed are the nominees of the Chief Engineer or of the Minister?—In most cases, I believe, they are nominees of the Minister.

2600. What is the practice of the Department in filling up vacancies and making promotions?—It is the practice of the Department, and the instructions of the Minister and Mr. Schreiber, that when vacancies occur in the Railway Department they should be filled by the promotion of competent men in the Service, and the Minister has given instructions that the men selected from the outside shall, in all cases, be competent to fill the positions to which they are appointed.

*By Mr. Brunel :*

2601. How is the fitness of employes for promotion and of persons taken from the outside ascertained?—The fitness of employes is ascertained by the reports of their superiors, and the knowledge these possess of the way in which the employes perform their duties. There is no formal examination. The new appointments are generally made into the less important branches of the Service so that their qualifications are not so extensive, and these persons are taken on trial. If, after a short time, they are found unsuitable, their services are dispensed with.

2602. Do you determine definitely as to the promotions made in the Service, or do you merely recommend them?—I recommend, and then if Mr. Schreiber wishes to appoint a person I consider incompetent, I inform him of the fact, and some other person is nominated. I am not asked a second time to take a man I have objected to.

*By the Chairman :*

2603. Have you had occasion to cancel any nomination made in the manner you have stated for want of fitness?—I have, on one or two occasions.

*By Mr. Brunel :*

2604. Are your recommendations always adopted?—My first recommendation is not always adopted. There are usually a number of persons equally competent to fill a vacancy, some one of whom, recommended or approved by me, is usually appointed.

2605. By whom are the station-masters nominated, and how appointed?—In the same way as the other employes. If they are new to the Service, they are nominated by Mr. Schreiber. It is not usual to appoint a station-master from the outside to the Service. They are usually promoted from a small station to a larger one, or from the ranks of the assistant station-masters or telegraphic operators.

*By Mr. Tilton :*

2606. Are persons nominated for promotion, when found inefficient, obliged to leave the Service, or do you permit them to return to the positions they originally filled?—They are not obliged to leave the Service; they are permitted to return to the position they originally filled.

*By the Chairman :*

2607. Are persons nominated from the outside; if so, state whether it is of frequent occurrence, and to what positions are they usually appointed?—Persons are

frequently nominated from the outside, but almost invariably to the smaller positions.

2608. How about the efficiency of your staff generally; are the clerks or other officers efficient in the discharge of their duties?—They are efficient.

2609. Have you any who, from ill health, age, or any other cause, are not well fitted for their work, and whom you would like to replace by others more fit?—We have perhaps, one or two persons who are past the age of usefulness.

*By Mr. White :*

2610. Will you please state how many hours your train conductors remain on duty each trip, and how frequently such trips are made?—On different trains the time is, of course, different. Between St. John and Amherst, and Halifax and Amherst, the conductors are on duty about 11 hours out of the 24, consecutively, on alternate days.

*By Mr. Brunel :*

2611. What is the regulation as to the average daily mileage of engine drivers, stokers, conductors and brakemen on passenger trains, and on freight trains?—There is no regulation as to any average, but the average for engine drivers and stokers is about 100 miles on passenger trains, and about 80 or 90 miles on freight trains for one day's work. The average for conductors and brakemen is somewhat higher.

2612. Are your train hands sometimes so many hours on duty that their physical or mental powers may be overtaxed?—They are not to my knowledge; though the trip system is an inducement to men to run as long as they can, yet the district superintendent and locomotive foremen are careful to see that the men do not run when they should rest. In addition to this there are always sufficient employes to prevent undue taxing of the men's energies.

2613. How many hours per day are your signalmen and switchmen usually on duty?—At stations where the traffic is large, such as Moncton, there are two sets of men, one for the day, and one for the night. At most of the other stations there is a station master during the day, and an assistant or telegraph operator during the night; and these persons when on duty move the semaphores or switches, so that they would be on duty from 10 to 12 hours.

2614. Are your trains run by time table or by telegraph, or by a combination of the two?—They are run by a combination of the two. All the regular trains are laid down on a time table, and the special trains are run by telegraph. The regular trains are sometimes moved by telegraph.

2615. How many hours are the train dispatchers on duty?—Eight hours daily.

*By Mr. White :*

2616. Are the trips of your train conductors so arranged as to admit of their returning to the point of departure on the same trip; for instance, does a conductor starting from Halifax change trains and return at once to Halifax, or does he proceed to say Moncton and return next day?—Some of the conductors run in such a way that they can return to their homes at night; others, such as those between Halifax and St. John on the night trains, run quite through with the train and return the following day.

2617. Do these conductors running on the night trains receive any higher rate of pay than those returning to their homes without being absent all night?—They do not. A number of the conductors are paid \$60 per month; others are paid \$2 per day; and others \$1.50 per day. It has been recently arranged to pay the freight conductors on the trip system; the length of the trips being about the same as those of the engine drivers and firemen.

*By the Chairman :*

2618. Are the conductors allowed to receive passengers' fares on the trains, and is it the practice to exact the usual extra fare from those who do not procure their tickets before getting on the train?—Conductors are allowed to collect fares on the trains. It has not been the practice to exact the extra charge from a passenger.

2619. What check, if any, have you on the conductor for moneys collected from passengers on the trains?—Each conductor is required to issue a ticket to the passenger and make a return of fares collected to the auditor.

*By Mr. Brunel :*

2620. Have you considered the possibility or expediency of confining the sale of tickets and receipt of fares to regularly appointed agents and station masters and the imposition of penalties on persons taking seats in the trains without having first paid their fares?—The matter of penalty has been considered, but we have not thought that any other penalty than the extra fare could be possibly enforced. As to the sale of tickets, it would be desirable if the sale of tickets could be confined to duly authorized agents of railways.

*By the Chairman :*

2621. How is the discipline on the line? What penalties, if any, do you impose for any breaches thereof?—The discipline is good and well maintained. The penalties for breaches of discipline are fine, suspension, reduction of rank and pay, and dismissal. We have frequently to fine; we suspend not infrequently; but absolute dismissals are not often made.

*By Mr. Tilton :*

2622. How are you placed in funds for the current expenditure on account of the railway, and how are such funds disbursed?—An application is made monthly to Mr. Schreiber for the amount of money it is estimated will be required for the ensuing month's expenditure. The Finance Department issues a letter of credit on the Bank of Montreal at Moncton for the amount, and the money is chequed out of the bank from time to time, as required, by cheques signed by the accountant and countersigned by the chief superintendent. A weekly return of expenditure in detail is forwarded to the Department of Finance at Ottawa, and also to the Railway Department.

*By Mr. Barbeau :*

2623. How are the supplies for the road obtained, and what check have you on their use?—The supplies are obtained chiefly by contract, by the storekeeper. Tenders are asked for by the storekeeper sending circulars to all persons dealing in the particular article required. Circulars are also sent to any persons who desire to have them sent. The tenders, when received, are classified by the storekeeper and one of his clerks, and then submitted to the chief superintendent, who decides upon them, selecting the lowest, unless there is good reason to the contrary.

2624. Is an account kept for all these supplies, so that, at any time, the balance on hand can be checked; and, if so, how often is stock taken?—There are a number of stores at convenient posts along the line, but the chief store is at Moncton. When goods are delivered by the person supplying them, they are accompanied by an invoice giving the quantity and price. The storekeeper, or his assistant, checks the goods with this invoice; and having satisfied himself that the goods have been delivered, the quantity is entered in the proper account in a check-ledger, kept for the purpose. In this check-ledger there are accounts open for all the different articles on the railway; each page of this ledger is divided into columns, showing, from left to right, the quantity on hand, received, issued, and balance on hand. In this book the issues from time to time are entered daily; so that, at any moment, a comparison between the stock and the book will show whether the right quantity is on hand or not. Stores are issued by the storekeeper for consumption on the authority of requisitions, the head of each of the six before-mentioned departments having power to make requisitions, each for his own department. An account of stock is taken once a year, on the 30th April.

*By the Chairman :*

2625. What is your practice in respect of contracts for the larger supplies, such as coal, &c.?—The contract for coal last year was advertized for,—I am not sure that was always the case,—and every year we issue handbills asking tenders for sleepers. During last summer 40 tons of rails and fish-plates were procured by tender publicly advertised.

*By Mr. Barbeau :*

2626. In what manner are collections made for freight and passenger fares, and how are they accounted for?—The money collected for freight and passengers is

taken by station-masters and ticket agent at different points on the line. This money is transmitted by these persons to a cashier at Moncton. From some of the larger stations it is sent daily; and from smaller stations only three times a week. The cashier at Moncton counts the money, enters the amount of each remittance in his cash-book, and deposits the amount daily in the Bank of Montreal, Moncton. The accounts of the cashier at Moncton are checked daily, and the balance of the money counted by the auditor.

2627. What check have you on the cash collected by the officers receiving it?—The station-masters make returns to the traffic auditor monthly of all the way-bills sent to each station and received from each station, and these are checked with similar returns from each other station. The ticket agents also make returns to the auditor of all the tickets sold, and these are also checked in the Audit Office.

2628. What sort of statements do you send to the Department at Ottawa, and how often are they sent?—We send to the Railway Department full statements in detail, monthly, showing the receipts and expenses, with averages calculated, and showing also the comparative statement for the same month of the previous year.

2629. How often does the auditor inspect the accounts of the various station agents; also, as regards the inspection by the Finance Inspector?—There is no specific period of time at which the accounts of the stations should be audited; but the travelling auditor visits all the stations at frequent intervals—more attention being, of course, paid to the larger stations. All the stations are visited at uncertain intervals, at least two or three times a year. The Financial Inspector visits Moncton and the chief points on the line occasionally and examines the accounts.

2630. Have any irregularities been found on the part of some of the officers?—There have been occasional slight irregularities discovered in the station accounts, but the Government sustained no loss. There has been no defalcation on the railway that I remember, except that of the late cashier. In that instance there was a loss of perhaps \$2,000 or \$3,000.

2631. Do the officers receiving cash give guarantee for the fidelity of their services?—The officers receiving cash, including the conductors, are guaranteed in some one of the approved guarantee companies.

*By the Chairman:*

2632. What is the practice followed respecting the travelling expenses of yourself and staff; are they fixed at so much per diem, or are their actual disbursements paid?—No officer of the railway has any fixed allowance, the actual expenses only are paid, for which an account is rendered in reasonable detail.

*By Mr. Brunel:*

2633. Since you have held your present office have there been any collisions or other serious accidents on the Intercolonial Railway?—There have been four as far as I can remember. Two were head collisions, and two were rear collisions.

2634. Do you attribute any of these accidents to the overworking of any of your employes, or to failure of duty on the part of any of them?—To failure of duty; not to overwork in any of these cases.

2635. What is the average number of track-men employed on repairs, per mile of road, distinguishing foremen from ordinary laborers?—The average length of the sections into which the road is divided is about five miles, and on each section there is a working foreman and three laborers.

2636. Is the staff employed, including all classes, sufficient for the safe and efficient working of the road, and for its maintenance in thorough repairs?—It is in every department.

*By Mr. Tilton:*

2637. Can you make any suggestion that would tend to increase the efficiency of your staff, or render the working of the road more perfect?—That is the end we have in view. I have no suggestion to make in that direction at present.