REPORT

OF THE

ROYAL COMMISSIONERS

APPOINTED TO ENQUIRE INTO CERTAIN MATTERS RELATING TO THE

CIVIL SERVICE OF CANADA

1892

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TABLE OF CONTENTS.

	PAGE.
Commission	ix
General report	xiii
Draft Bill, Civil Service Act	xxix
Report on revenues and expenditures	liii
Memorandum on superannuation	lxxiii
Report of the visitation of the departments	lxxxi
Closing memorandum by the chairman	xciii
Minutes of evidence	1—643
Appendices	644

General Report—

Responsibility and importance of Commission	xiii
Scope of enquiry	xiii
Method of procedure	xiv
Investigation, Senate and House of Commons, not pressed	xiv
Civil Service and duties thereof	xiv–xvi
Range of salaries	xvi
Action on the subject in the past	xvii
Appointments, manner of making	xix
Promotions	xix
Internal economy of departments	xix
Deputy heads, tenure of office and salary	xx
Recommendations, Civil Service Commission and open competition	xxi
Constitution of Civil Service Commission	xxi
Duties of do do	xxii
Grading of the service	xxiii
Open competition	xxiii
Age limit and new offices	xxiii
Departmental organization	xxiv
Rules of discipline, leave of absence, &c	xxiv
Hours of attendance and registry thereof	xxv
Purchasing departments	xxv
Arrangement of the offices	xxv
Fire protection of departments generally	xxvi
Immigration should be transferred to Department of Interior	xxvi
Uniformity desired in issue of maps and plans	xxvi
Amalgamation of Departments of Marine and Fisheries	xxvii
Civil Service Commission to enquire into necessity of filling vacancies	xxvii
Labour and expense could be saved in issue of Commissions to public officers	xxvii
Specific votes for extra assistance	xxvii
In draft Bill nothing said as to offices of City postmasters, &c	xxviii
Officers of high character in service at Ottawa	xxviii
Practical legislation in view in framing the provision of the draft Bill	xxviii
Conclusions	xxviii
Draft Bill, Civil Service Act	xxix

PAGE.

Report on Revenues and Expenditures—
Estimates, manner of submission liii
Auditor General and his duties liii
Public Accounts Committee liv
Public deposits, method of dealing with liv
Fiscal year, 31st March better date for terminating lv
Method of making grants to expending departments lvii
Certificates for purchases lviii
Tenders for contracts, manner of accepting lviii
Director General of Stores to purchase supplies lviii
Extent of fixed charges lviii
Interest on Public Debt lix
Premium, Discount and Exchange lix
Sinking Funds lix
Charges of Management lix
Civil Government lx
Administration of Justice lx
Dominion Police lx
Penitentiaries lx
Arts, Agriculture and Statistics lxi
Immigration lxi
Quarantine lxi
Pensions lxi
Superannuation lxii
Militia and Defence lxii
Mounted Police lxix
Public Works lxv
Railways and Canals lxvi
Mail Subsidies and Steamship Subventions lxvi
Ocean and River Service, Lighthouse and Coast Service, &c. lxvi
Insurance Inspection lxvi
Geological Survey, Scientific Institutions lxvii
Subsidies to Provinces lxvii
Indians lxvii
Government North-West Territories lxvii
Miscellaneous lxviii
Collection of Revenue lxviii
Customs lxviii
Excise lxviii
Weights, Measures and Gas lxviii
Culling Timber lxviii
Post Office lxviii
Public Works lxix
Railways and Canals lxx
Minor Revenues lxx
Dominion Lands lxx
Liquor License lxx
Conclusions lxx
Revenues lxxi
Customs lxxi
Excise lxxi
Post Office lxxi
Uncollected balances lxxi
Patent fees lxxi
Generally lxxi

PAGE.

Memorandum on superannuation lxxiii
1. Is it expedient to provide superannuation allowances lxxiii
2. Public interest best consulted by maintaining a system of Superannuation lxxiii
3. Superannuation necessary to retain good men in the service lxxiii
4. The practice is gaining with corporations lxxiv
5. History of superannuation in England lxxiv
6. do do Canada lxxiv
7. Deduction of abatement has led to misunderstanding lxxiv
8. Statement of last year's expenditure lxxiv
9. Statement to show economy of superannuation should be prepared lxxv
10. Fair percentage to be deducted as superannuation abatement lxxv
11. Gratuities to persons who have served 15 years or less lxxv
12. Care should be taken that those who enter the service are in good health lxxvi
13. Power to add term of service should be retained lxxvi
14. No system economical under which officers can be superannuated to make way for political appointments lxxvi
15. Retiring allowances should be based on the average salary of longer period than three years lxxvi
16. Result of political appointments, superannuation of men whose age at entry was not subject to limit lxxvi
17. Diminution of allowance where service unsatisfactory lxxvii
18. Abatement should not cease on completion 35 years' service lxxvii
19. Formerly additional service granted to men who did merely clerical work; now every superannuation well weighed lxxvii
20. Fixed age for retirement. After 25 years' service and at 60 an officer should be retired if he wishes lxxvii
21. Superannuation abatement should be refunded in case of dismissal lxxvii
22. Insurance scheme, if adopted, should be administered by Superintendent of Insurance lxxviii
23. Mr. D. Matheson's scheme of retiring allowances lxxviii
24. Rights under present Act should be respected lxxviii
25. Statement of ages of pensioners lxxix

Report of the visitation of the departments lxxxi
Attention called to statement of work done, and staff and cost of department lxxxi
Books, accounts and registers of various offices kept in business-like manner. lxxxi
In some cases cumbrous methods exist lxxxi
Systems of book keeping different lxxxi
Arrangement of offices inconvenient and should be remedied lxxxii
Finance Department lxxxii
Auditor General's Office lxxxii
Post Office lxxxiii
Public Works lxxxiii
Railways and Canals lxxxiv
Customs lxxxv
Inland Revenue lxxxv
Marine lxxxv
Fisheries lxxxvi
Interior lxxxvi
Agriculture lxxxvii
do Patent Branch lxxxviii
Militia and Defence lxxxviii
Indian Affairs lxxxix

PAGE.
Secretary of State lxxxix
Geological Survey xc
Justice xc
North-West Mounted Police xc
Printing Bureau xci
Privy Council xci
Parliamentary Library xcii
Closing remarks xcii
Closing memorandum by the Chairman xciii
Time too restricted to weigh and digest evidence especially as regards superannuation xciv
Calculation showing the saving in salaries should be added to superannuation statement xciv
Hardship suffered by families of officers who contributed abatement and who never derived any benefit therefrom xciv
Service should be divided into two classes, officers and clerks xciv
Working of open competition in United States xciv
Letter of Postmaster General Wanamaker of United States xciv
Assistance received from Deputy Minister of Finance xcv

APPENDICES.

A. List of temporary employees at Ottawa 644
B. Schedule showing staff, cost and work of each department 658
C. Replies from railway companies and banks in regard to salaries of employees 687
D. Memorandum from officials of Customs Department 692
E. do do Library of Parliament 694
F. do from W. Smith, B.A., Post Office Department 698
G. do do H. W. Griffin do 700
H. Amount expended, public buildings, Ottawa, 1st July to 31st December, 1890 and 1891 704
I. Letter from Mr. A. M. Burgess respecting office of the Dominion Land Commission, Winnipeg 705
J. Letter from Mr. A. M. Burgess respecting surveyors and professional men in Topographical Surveys Branch 711
K. Letter from Mr. A. W. L. Gompertz respecting reorganization of the Civil Service 715
L. Comparative statement of staff militia stores and drill hall, 1882 and 1891 717
M. Complete list of persons employed by Department of Public Works 719

Witnesses who appeared before the Commission and were examined or submitted Statements.

Bailey, H. H., examiner in Patent Office 429, 530
Barrett, W. J., representing delegates from several departments 400
Barrette, J. G., from the Department of Public Printing and Stationery 427
Bauset, S. P., Acting Deputy Minister of Fisheries 544
Bell, Geo., on behalf of the clerks of the Department of the Interior 416
Bennetts, F. K., representative of permanent staff of Privy Council Office 14
Bennetts, F. K. secretary of committee of departmental representatives 401
Bourinot, J. G., C.M.G., Clerk of the House of Commons 560
Brymner, D., Archivist in Department of Agriculture 561
Burgess, A. M., Deputy Minister of the Interior 57, 573, 635
Catellier, L. A., Under Secretary of State 82
Coste, L., Acting Chief Engineer of Public Works Department 535

PAGE.

Courtney, J. M., Deputy Minister of Finance 640
Dawson, S. E., Queen's Printer 42
DeCelles, A. D., Parliamentary Librarian 526
Dennis, J. S., representative of professional and technical temporary staff of the Topographical Survey Branch of the Department of the Interior 404
Deslauriers, I. N., representative of the messengers 116
Deville, E. G., Surveyor General, Department of the Interior 595
Doyon, J. A., representative of clerks in the Department of Inland Revenue 415
Everett, G. F., Superintendent of Money Order Branch, P. O. Department 128
Falconer, C., representative of Secretary's Branch of the P. O. Department 409
Fitzgerald, W., Superintendent of Insurance 565
Fletcher, H., representative of officials of the Geological Survey Department 418
Fuller, T., Chief Architect of Public Works 606
Gorman, John., representative of staff in the Auditor General's Office 426
Gobeil, A., Deputy Minister of Public Works 463
Griffin, M. J., Parliamentary Librarian 517
Gisborne, F. N., Superintendent of Dominion Government Telegraphs 596
Harrington, W. H., representative of clerks in Savings Bank Branch of Post Office Department 418
Harvey, A., patent attorney 636
Herbert, Major General, Commander of Forces in Canada 345
Jackson, J. B., Registrar of Copyrights, Trade Marks and Designs 442
Johnson, Jas., Commissioner of Customs 238
Langevin, E. J., Clerk of Parliaments 559
LeSueur, W. D., Secretary Post Office Department 612
Lewis, J. H., of the Printing and Supply Branch of the Post Office Department 427
Loux, Wm., representative of temporary staff of Privy Council Office 18
Lowe, John, Deputy Minister of Agriculture 187, 434
Marmette, J., Assistant Archivist 594
Matheson, D., Superintendent of Savings Bank Branch, Post Office Department 116
Miall, E., Commissioner of Inland Revenue 258
Morton, H. H., representative of long room of Dead Letter Branch of Post Office Department 424
Moylan, J. G., Inspector of Penitentiaries 366
McDougall, J. L., Auditor-General 21, 31, 588
McGee, J. J., Clerk of Privy Council 1, 31, 530
McKinnon, M., representative of Temporary Clerks of Department of Railways and Canals 413
Panet, Col., Deputy Minister of Militia 285
Pope, R., Commissioner of Patents 439, 446, 561, 639
Powell, Col., Adjutant General of Militia 330
Schreiber, C., Chief Engineer and General Manager Government Railways 312
Sedgewick, R., Q.C., Deputy Minister of Justice 358
Selwyn, A. R. C., C.M.G., Director of Geological Survey Department 93
Sherwood, A. P., Commissioner and Superintendent of Dominion Police 107
Smith, W. H. C., representative of officials in Geological Survey Department 418
Smith, Sidney, Superintendent of Printing and Supply Branch of Post Office Department 452
Smith, Wm., Deputy Minister of Marine 497
Thorburn, J., LL.D., Chairman Board of Civil Service Examiners 551
Trudeau, T., Deputy Minister of Railways and Canals 381
Venning, R. N., representative of clerks in Department of Fisheries 417
Vankoughnet, L., Deputy Superintendent General of Indian Affairs 158
White, F., Comptroller of North-West Mounted Police 143
White, W., Deputy Postmaster General 207

COMMISSION.

CANADA.

[L.S.]

STANLEY OF PRESTON.

ROBERT SEDGEWICK,
Deputy Minister of Justice,
Canada.

VICTORIA, by the Grace of God, of the United Kingdom of Great Britain and Ireland, Queen, Defender of the Faith, &c., &c., &c.

To GEORGE HAGUE of the City of Montreal, in the Province of Quebec, Esquire, General Manager of the Merchants Bank of Canada; The Honourable GEORGE WHEELOCK BURBIDGE, Judge of the Exchequer Court of Canada; EDMOND BARBEAU, of the City of Montreal, aforesaid, Esquire, and JOHN MORTIMER COURTNEY, of the City of Ottawa, in the Province of Ontario, Esquire, Deputy of the Minister of Finance of Canada, and to all to whom these presents shall come, or whom the same may in anywise concern.

GREETING:

WHEREAS on or about the Sixteenth day of June in the year of Our Lord, one thousand eight hundred and eighty, Commissioners were appointed to report upon the condition and needs of the Civil Service of Canada, and on the fifth day of March in the year of Our Lord one thousand eight hundred and eighty-one the said Commissioners so appointed did make a report in which they stated the facts as developed by the enquiry respecting the existing conditions of the service, and embodied their views as to its reorganization and reformation.

AND whereas afterwards in the Session of the Parliament of Canada holden in the forty-eighth and forty-ninth years of Her Majesty's Reign, a Statute was passed, the provisions of which are now embodied in Chapter 17 of the Revised Statutes of Canada and the Civil Service of the Country is now being carried on under the last mentioned Statute as the same has since been amended by Statutes passed in the Sessions holden in the fifty-first and fifty-second years of Our Reign.

AND whereas since the reorganization of the Civil Service under those Acts, difficulties have arisen in the conduct of public business under their provisions and it has been represented that many changes in the character as well as in the extent of the service required in each department have occurred in consequence of which the duties in some departments and of some officers in the departments have been varied.

THAT persons have found their way into the Service, who either from defects existing at the time of their appointments, or from advanced age, or from bad habits, have ceased to be eligible for retention in the Service. That the number of persons employed

in some of the departments has increased out of proportion to the increase of work, and that in others, the work has increased beyond the capacity of the clerks, leading to the employment for long periods of temporary clerks at constantly increasing rates of remuneration. That many of the rules laid down in the existing Statutes have been found inconvenient and more or less impracticable, and consequently irregularities have occurred in carrying them out. That abuses have prevailed as to the length of working hours, the granting of leave of absence, the supervision of payments and of transactions by the different departments. That sufficient checks have not been imposed upon the admission of ineligible candidates and that proper facilities for relieving the service of useless members do not exist.

And whereas an impression has prevailed in the country, sustained to some extent, by the experience of Ministers and by enquiries carried on by Committees of the House of Commons during the last Session thereof, that it would be for the advantage of the country that a thorough examination should be made of the present condition of the Civil Service in Ottawa, and that suggestions from competent persons should be obtained as to the best mode of remedying such of the difficulties and irregularities, among those complained of, as should be found to exist.

And whereas it is expedient that a Commission be issued to competent persons for the purpose of making such examinations, and such recommendations as may be considered expedient for remedying evils which have prevailed, for increasing the efficiency and economy of the service, with special enquiry into and report upon the several topics hereinafter more fully mentioned and set out, together with any other subject connected with the Civil Service which in the opinion of the Commissioners requires consideration and re-adjustment in order to obtain the greatest possible efficiency.

And whereas it is advisable that the said Commissioners so appointed should be authorized and required to extend their operations to the staff of the Senate and House of Commons and to enquire into and report upon the matters hereinafter more fully set out and described in so far as they apply to the staff of those two Houses.

And whereas it is in and by the Revised Statutes of Canada, chapter 114, intituled: "An Act respecting enquiries concerning public matters" amongst other things in effect enacted, that whenever the Governor in Council deems it expedient to cause enquiry to be made into and concerning any matter connected with the good government of Canada or the conduct of any part of the public business thereof, and such enquiry is not regulated by any special law, the Governor in Council may by the Commission in the case confer upon the Commissioners or persons by whom such enquiry is to be conducted, the power of summoning before them any witnesses, and of requiring them to give evidence on oath, orally or in writing, or on solemn affirmation, if they are persons entitled to affirm in civil matters, and to produce such documents and things as such Commissioners deem requisite to the full investigation of the matters into which they are appointed to examine.

And whereas it is expedient that enquiry under oath should be made into and concerning the matters and things hereinbefore mentioned :

Now Know Ye that under and by virtue of all and every powers and power in that behalf vested in Us, and by and with the advice of Our Privy Council for Canada, We, reposing trust and confidence in your loyalty, integrity and ability, have nominated, constituted and appointed, and do hereby nominate, constitute and appoint you the said George Hague, you the said George Wheelock Burbidge, you the said Edmond Barbeau and you the said John Mortimer Courtney, to be our Commissioners for the purpose of making such enquiry and examination as aforesaid and making such recommendations as you may judge to be expedient for remedying any evils which have pre-

vailed in the Civil Service of Canada, for increasing the efficiency and economy of the service and especially for the purpose of enquiring into and reporting on the following topics, viz :—

A. As to Members of Service.

1. Appointments.
2. Promotion.
3. Discipline and duties, including hours, extent of service and absence.
4. Salaries.
5. Superannuation.

B. As to Temporary Clerks.

1. Appointments.
2. Promotion.
3. Discipline and duties, including hours, extent of service and absence.
4. Salaries.

C. As to the Departments.

1. The present organization, including the division and allotment of duties.
2. The efficiency and sufficiency of the staff.
3. The carrying on and supervision of the financial business of the Departments.
4. The system of purchase by the purchasing Departments.
5. The performance of extra work.

D. General.

Any other subject connected with the Civil Service which, in your opinion, requires consideration and re-adjustment in order to attain the greatest possible efficiency.

And We Do empower you and require you, while pointing out any defects which may be found to exist in the present system, to suggest such changes as you may consider advisable in respect of all or any of the matters submitted to you.

And We Do authorize and require you to extend your operations to the staff of the Senate and House of Commons, and to enquire into and report with respect thereto upon the same class of topics as are detailed in the four preceding heads, designated respectively "A," "B," "C" and "D," in so far as they apply to the staff of those two Houses.

And, under and by virtue of the powers vested in Us by the Statute lastly hereinbefore recited, We do hereby authorize and empower you as such Commissioners, to summon before you any witnesses, and to require them to give evidence on oath, orally or in writing or on solemn affirmation, in case they are persons entitled to affirm in civil matters, and to produce such documents and things as you, Our said Commissioners, shall deem requisite to the full investigation and report of the matters into which you are hereby appointed to enquire and examine.

To have, hold, exercise and enjoy the said office, place and trust unto you, the said George Hague, you the said George Wheelock Burbidge, you the said Edmond Barbeau, and you the said John Mortimer Courtney, together with the rights, powers, privileges and emoluments unto the said office, place and trust, of right and by law appertaining during pleasure. And We do hereby require and direct you to report to Our President of Our Privy Council for Canada, the result of your investigation, together with the evidence taken before you, and any opinion or remarks you may see fit to make thereon, and any recommendation in respect thereof.

In Testimony whereof, We have caused these Our Letters to be made Patent, and the Great Seal of Canada to be hereunto affixed.

WITNESS, Our Right Trusty and Well Beloved, the Right Honourable Sir Frederick Arthur Stanley, Baron Stanley of Preston, in the County of Lancaster, in the Peerage of the United Kingdom, Knight Grand Cross of Our Most Honourable Order of the Bath, Governor General of Canada.

AT Our Government House, in Our City of Ottawa, this fourteenth day of November, in the year of Our Lord, one thousand eight hundred and ninety-one, and in the fifty-fifth year of Our Reign.

BY COMMAND,

L. A. CATELLIER,
Under Secretary of State

REPORT.

To His Excellency the Governor General of Canada in Council.

MAY IT PLEASE YOUR EXCELLENCY :—

The Commissioners appointed by Commission of the 14th November, 1891, to make an enquiry into certain matters relating to the Civil Service at Ottawa, have, in accordance with the directions therein contained, the honour to present the following report :—

In entering upon the duties entrusted to them, and in touching upon the various questions submitted to them for enquiry, the Commissioners have felt their position to involve more than ordinary responsibility, not only from the importance attaching to the matters referred to them, and the comparatively limited time at their disposal, but also from the fact that two Commissions had already reported upon the needs and conditions of the Civil Service. Nor has this feeling of responsibility been lessened by the fact that there has been legislation on the subject almost yearly from 1882 until 1889, nor by the fact that during the last session of Parliament the matter, becoming one to which public attention was specially directed, called from the Premier an expression of the determination of the Government that the Civil Service of Canada should be conducted upon business methods.

Those circumstances have combined to render the subject one not only of unusual importance, but of difficulty, necessitating a certain degree of delicacy in its investigation ; and in reporting upon it as promptly and as directly as possible, the Commissioners feel that although their best efforts have been given to arrive at correct conclusions, yet allowance must be craved for any imperfections arising from the short time at their disposal.

The Commissioners before entering into the consideration of the subjects laid down in the reference, desire to state, that it was not within the lines of their duty to follow up enquiries made by the Committee of the House of Commons in the Session of 1891, which brought out certain irregularities, but rather to suggest such improvements in methods applicable to all departments as will tend to prevent irregularities in future.

By reference to the Commission it will be observed that the lines of enquiry indicated were :—

A.—AS TO MEMBERS OF THE SERVICE.

1. Appointments ; 2. Promotion ; 3. Discipline and duties, including hours, extent of service and absence ; 4. Salaries ; 5. Superannuation.

B.—AS TO TEMPORARY CLERKS.

The subjects mentioned in the preceding division, under Nos. 1, 2, 3 and 4.

C.—AS TO DEPARTMENTS.

1. The present organization, including the division and allotment of duties ; 2. The efficiency and sufficiency of the staff ; 3. The carrying on and the supervision of the financial business of the departments ; 4. The system of purchase by purchasing departments ; 5. The performance of extra work.

D.—GENERAL.

Any other subject connected with the Civil Service which, in the opinion of the Commissioners, requires consideration and readjustment in order to attain the greatest possible efficiency.

In order to fully carry out the duty entrusted to them, the first step the Commissioners took after electing Mr. Hague chairman was the preparation of a carefully considered schedule of questions on the above subjects.

A copy of this was transmitted to the Deputy Head, or other responsible officer of each department, with the request that answers thereto be prepared and submitted when the officers in question should be called upon to give evidence before the Commissioners.

This method of procedure had the effect, it is believed, of obtaining accuracy of information in matters of detail, and also of shortening to some extent the time occupied in the enquiry.

The questions and answers will be found in the evidence appended hereto.

As will be seen from the evidence, the Deputy Heads were also duly called before the Commission and subjected to thorough examination. Their answers were, in the majority of cases, complete and exhaustive, embodying a large amount of useful information on the whole subject of the Civil Service.

In addition to examining each of the Deputy Heads, the Commissioners called upon the employees of each department, through those officers, to send representatives to appear before them for the purpose of expressing to the Commission any views they might have on departmental organization, management, discipline or kindred subjects. Representatives appeared from all classes, both permanent and temporary, including the packers, sorters and messengers. The Commissioners also caused public notice to be given requesting any person desiring to make any communication to them relative to any matter within the scope of the enquiry in respect of which it was thought any abuse or irregularity existed, or wherein any step might be suggested or taken to increase the efficiency and economy of the service, to send the same to the Secretary of the Commission, together with a statement as to whether or not such person desired to be called as a witness before the Commission, to which some responses were made, as will appear in the evidence and appendices.

It will be observed that although the Commissioners were limited directly to enquiries relating to the Inside Service, that is to say, to the service at Ottawa, yet the reference to them of the subject of Superannuation and of the carrying on of the financial business of the departments, and the system of purchase by purchasing departments, necessarily led to a wider scope of investigation in certain directions, and they deemed it proper to make enquiry as far as could be done at Ottawa, into all matters relating to the subjects mentioned, whether referred to them directly or arising indirectly out of such subjects.

Your Commissioners desire further to say, at the outset, that although they were by the reference authorized and required to extend their enquiries to the staff of the Senate and House of Commons, and to enquire into and report with respect thereto upon the same class of topics as detailed above, so far as they apply to the staff of those two Houses, yet, owing to the then near approach of the meeting of Parliament, and in view of the constitutional questions raised by the Clerks of the respective Houses, your Commissioners did not deem it desirable to press their investigations into that portion of the public service.

With these remarks by way of introduction the Commissioners now propose to give at some length a statement of what really constitutes the Civil Service and what duties the officers thereof are called upon to perform.

These matters are fully detailed in the several appendices to the report, but it may be said that at Ottawa and elsewhere throughout the Dominion, on the 30th of June last, there were employed permanently, under the Civil Service Act, over 3,300 persons, of whom about two-thirds were in the service of the Post Office and Customs Departments. In addition to these there are permanently employed a very considerable number of others who are not affected by the provisions of the Civil Service Act, as for instance Indian agents, light-keepers, lock-masters, &c.

In the several departments at Ottawa there were employed permanently, under the Civil Service Act during the year ended 30th of June, 1891, 733 persons of all grades of whom 78 were messengers, packers and sorters. In addition to those, however, payments were made for services extending over periods varying from one year to a few days to sundry persons numbering in all as many more, and to labourers and artizans to the number of some 300.

It must be borne in mind that the officers and employees of the various grades engaged elsewhere than at Ottawa are all subject to the control and direction of the departments at Ottawa, are in constant correspondence therewith, rendering all accounts thereto, and are in almost every respect as much in contact therewith, as if their functions were exercised at the seat of Government. It is necessary to emphasize this, as a considerable part of the work in Ottawa consists of supervising, checking, and directing the work done by officers of the Government in connection with the Post Offices, Custom Houses, Harbours, Fisheries, and numerous other establishments in all parts of the Dominion.

The total cost of salaries and of payments for services performed in the departments at Ottawa, not including salaries of Ministers of State, for the year ended 30th of June, 1891, was $1,278,701.09, of which $862,877.38 is chargeable to Civil Government salaries, $57,228.89 to Civil Government contingencies, $352,194.82 charged to outside votes, and $6,400 expended under special statutes.

This cost appertains to the different departments as follows:—

—	Charged to Civil Government Salaries.	Charged to Civil Government Contingencies.	Charged to Outside Votes.
Expenditure under Supply Bills:—	$ cts.	$ cts.	$ cts.
Governor General's Office	9,950 00	1,076 07	.....
Privy Council Office	24,625 00	5,850 41	992 02
Justice Department	26,836 50	1,673 42	5,412 57
Militia Department	42,212 50	487 25	18,474 61
Secretary of State's Department	35,778 30	2,750 17	3,111 45
Printing and Stationery Department	22,197 50	3,226 39	11,420 23
Interior Department	30,821 83	729 85	56,402 17
Geological Survey Department	41,792 50	.....	19,029 16
North-West Mounted Police Office	8,490 00	.....	5,997 62
Indian Affairs Department	45,082 75	4,292 83	4,272 02
Audit Office	23,008 56	2,467 17	.....
Finance Department	51,764 88	1,957 61	15,398 00
Inland Revenue Department	37,094 96	680 45	14,168 73
Customs Department	36,169 71	620 68	4,774 13
Post Office Department	185,531 72	20,326 90	4,547 68
Agriculture Department	52,813 25	9,253 68	24,983 28
Marine Department	28,564 99	1,258 71	5,796 00
Fisheries Department	16,925 00	577 30	6,117 25
Public Works Department	42,872 46	.....	106,755 87
Railways and Canals Department	50,349 97	.....	44,542 03
	862,877 38	57,228 89	352,194 82
Expenditure under Special Statutes:—			
Governor General's Secretary	2,400 00	.....	.....
Auditor General	4,000 00	.....	.....

Various particulars respecting these services will be found in the appendices.

In the above amounts are not included $105,838 paid to some 300 labourers and artizans employed for various periods throughout the year on the Ottawa buildings.

In pursuing their enquiries into the work of the Departments in Ottawa, your Commissioners found that in addition to the persons whose names are entered in the Civil Service List, and who are called "permanent" employees, there are a considerable number of persons regularly engaged in the service of the Government whose names are not in the list in question at all. This large class is not embraced under the provisions of the Civil Service Act, although the duties, work, and responsibilities of the larger number of them are in no way to be distinguished from those of regular officers. The remuneration of this class of officials is at a certain rate per day or per month, which indicates that their position originally was temporary, by which name as a class they are still distinguished. They have, however, for the most part long ceased to be such, and practically are part of the permanent staff. This class numbers some 370 persons, of whom 44 are messengers, packers and sorters.

Some of them render services of a professional character, such as engineers, architects, &c., and are men of high education and experience, and generally their services are as valuable as those of permanent officers engaged in the same duties. In the temporary class the Commissioners found a considerable number of women clerks, respecting whose work and the manner of performing it there was a general concurrence of approval from those supervising them. The salaries of this class of so-called "temporary" officers range from $4,500 per annum to $1 per day.

The Commissioners apprehend that from lack of organization or possibly from the tendency to bring into the service some of these officers for special qualifications, no definite scale of payment has been laid down for the remuneration of this class, and in the Bill appended to this report the Commissioners submit a scheme to overcome this defect.

At the time of the sitting of the Commissioners there was a considerable number of clerks strictly of a temporary character engaged in the preparation of the census. Of these 28 were women clerks. Many of these temporary clerks, properly so called, are paid strictly for the amount of work they do, and their earnings, which averaged in November last 43½ cents per page in compiling the sheets, have by the new system of payment by results, which began in December last, been reduced for similar services to 18½ cents in December, 14¼ in January, and 6⅞ cents in February. This class of persons is under regular supervision by a permanent officer of the Department where the work is carried on.

RANGE OF SALARIES.

Of the permanent officers and clerks of the Government at Ottawa, there are seven whose salaries range from $4,000 to $6,000 per annum and 24 whose salaries range from $2,500 to $4,000 per annum. This class embraces deputy heads, chief engineers, architects, &c., who are charged with the responsibilities of control, supervision and direction. There are 82 persons with salaries ranging from $1,800 to $2,400 who have in a subordinate degree the responsibilities of supervision, such as superintendents, chief accountants, secretaries and chief clerks. Included in these are also a certain number of persons whose salaries are within the above range whose duties though not involving

the supervision of others yet demand skill, experience and professional knowledge. Finally we come to the very large number of clerks who work entirely under direction and whose duties are of the ordinary character of clerks, such as posting, copying, registering, typewriting, &c. Their salaries range from the minimum of the third class $400, to the maximum of the first class $1,800. It is to be noted that the higher range of salaries in the latter class is in many cases paid to persons who are doing the same kind of work they did in former years. This is due to the automatic system of the Civil Service Act by which salaries are steadily increased. It has thus come to pass that there are numbers of persons employed in the same rooms, doing the same work, and having places sometimes at the same desk, whose salaries differ by as wide a range as three hundred per cent. But in justice it should be said of these that some of them correspond to the class of old servants to be found in nearly all mercantile and corporate establishments, whose pay may seem excessive, but in whose case experience, reliability, and knowledge are taken into account.

Considering the above it may be noticed generally :—

That the highest salaries are low as compared with those of the higher officers of railways, banks, and other mercantile corporations, but that in the Civil Service the percentage of persons whose salaries range from $1,000 to $2,500 is much larger than that which obtains in other institutions, while on the other hand the percentage of persons having salaries from $400 to $1,000 is much smaller.

Appended to the evidence will be found statements of the range of salaries in the leading railways and banks, courteously furnished by the chief officers of these establishments. To these the Commissioners call careful attention.

In the recommendations your Commissioners have made in the draft Bill referred to, they have endeavoured to guard against the development of this state of things in the future, and to ensure that men who are doing the lower description of work shall be remunerated accordingly, while the higher range of salaries shall be reserved for those who have responsibilities of management, or whose services require a higher degree of educational or professional attainments. They have also therein stated what in their opinion would be an equitable scale of salaries for the various classes of clerks and employees in the departments.

Having thus described generally the present condition of the Civil Service, it is but proper to state in the next place what action has been taken on the subject in the past.

ACTION ON THE SUBJECT IN THE PAST.

In May, 1868, a Civil Service Act was passed, and in the same year a Commission was appointed to submit a scheme for its re-organization under the provisions of the Act. The intention of the Act of 1868 was to limit the age and ensure the proper qualification of candidates for positions in the public Departments, to establish a regular classification, to provide for judicious promotion, to check the unnecessary employment of extra clerks and guard against an undue expansion of expenditure for Civil Government. In 1880 a second Commission was appointed to investigate the same subject, and in their report the Commissioners recommended the adoption of the essential principles of open competitive examination and promotion by merit as an effectual remedy for all the important defects of the system then in vogue. Following this report a new Civil Service Act was passed in 1882, which provided for examinations to test the qualification of candidates for positions in the public service, and also for the examina-

tions of candidates for promotion. This Act, although not going so far in its provisions as was recommended by the Commission, has been amended year by year, with one exception, from the time of its being first placed on the Statute book until the year 1889, and so far as the Commissioners have been able to observe, the amendments in general have trended in the direction of the relaxation of the provisions of the original Act, and the consequent prevention of its intention from being carried out.

It seems proper at this point to refer to the experience of the mother land in regard to the Civil Service, it being found by experience that the same difficulties which have attended the working of the Civil Service of Canada had been developed there also. Consequent upon the report of a Commission appointed in 1853, recommending the adoption of the principle of open competition as founded upon the principles of justice, and favourable to the education of the people, a new system was introduced in 1855, by the appointment of the Civil Service Commission of the United Kingdom, consisting of three Commissioners of whom one (the chairman) is a Privy Councillor, appointed during pleasure, and upon this Commission were conferred large powers in respect to the examination of candidates for the Civil Service. Only limited competition was at first introduced, as moderate changes were thought most prudent. After five years experience of the new order of things a Parliamentary investigation into the new system was held in 1860, and the report of that body approved the appointment of the Civil Service Commission, and advised a steady advance towards open competition, a principle which was ultimately adopted in 1870. In the Parliamentary and executive investigations of 1873 and 1874 the principle was again approved and its operation extended. The executive Commission of 1874, otherwise known as the "Playfair Commission," from the name of its chairman, Sir Lyon Playfair, lasted for several years and made three separate reports. In 1886, another Commission was appointed to enquire into the establishments of the different offices of state. The first and second reports of 1887 and 1888 have proved of benefit to your Commissioners in their enquiry.

The value of the English system of open competition has been dwelt on fully in an able and exhaustive work on Civil Service in Great Britain by the Hon. Dorman B. Eaton, first Commissioner of the Civil Service of the neighbouring Republic, and from his work the following may be quoted as the opinion of a permanent Secretary of the Treasury :—

"Under competition you have no patronage, and there is therefore no motive to increase establishments beyond the strength which is required for the work they have to do ; on the contrary there is a very strong motive in the Departments themselves to keep the establishments down, so as to have the credit of economical estimates." In speaking of the introduction of open competition into the India Civil Service, Mr. Eaton states that "The explanation of course is that British statesmen have long since found that common justice and the exclusion of partisan tests in selecting Civil Servants are essential for securing those most useful, and they have had patriotism and independence enough to act upon their convictions of duty even in a foreign province. These declarations appear not to have been mere professions, for in the final order made in 1876 for the permanent establishment of open competition as the sole means of entry to the Indian Civil Service, it is provided that during the two years of special study which are to follow success in the competition, the sum of $750 a year is to be paid to each successful competitor, thereby enabling the children of the poor to go on with their preparation for the public service." And of the results of competition his words are, "If I could afford the space

I might call attention to particular facts showing that competition had given not merely more bright men of learning, but men with physical systems as strong, with characters quite as high, with practical administrative capacity not less, to say the least, than had come into the service under any other system," and in summing up the results of the merit system in the great departments his words are, "The merit system therefore with its tests of character and capacity, and its claims of justice and principle against favouritism and partisanship, has achieved a victory over patronage."

APPOINTMENTS.

In a few words the difference between the English and Canadian systems is that whilst in England appointments are generally speaking made on the ground of merit alone, as shown by success in open competition in examinations, in Canada appointments are the results not of the examinations, but of nominations after examinations have been had.

Of these examinations themselves it may be said that they have been of such a character that the ordinary High School boy could without difficulty pass them; and from the general trend of the evidence given before the commission it will be observed that in the case of a considerable number of the officials who have been appointed, a number of trials have been allowed before they finally passed. This has led to considerable abuse, and is largely responsible for the employment for long and irregular intervals of so-called temporary clerks, which has given rise to a conflict of opinion between some of the departments and the Auditor General, chiefly as to the duration of time a temporary clerk should be out of office before being re-appointed, the Auditor General holding that one month should elapse, while some of the departments have made the limit a day or two.

PROMOTIONS.

It is further to be noted that under the Canadian Civil Service Act a system of examinations for promotion exists which does not prevail in England, and your Commissioners find that although in regard to a few cases no examinations have been required, yet as a rule, promotions have not been made without such examinations. But in the holding of these there has been great disparity in the papers submitted by the several departments, for whilst in some instances the examinations have been thorough, entering exhaustively into the duties of the Department, thereby testing the fitness of the candidates, in others the papers have been simple in the extreme. This system of examination for promotion has therefore been to a large extent ineffective and along with political pressure has led to the departments being generally overmanned in the higher offices. In fact promotions have taken place as a rule for other causes than the necessities of the service.

INTERNAL ECONOMY OF DEPARTMENTS.

Your Commissioners, as they have previously mentioned, while finding in some instances clerks inferior in status doing superior work, have noticed many officials who have been promoted on account of length of service doing work of an inferior kind. The continued employment of a large number of persons who have in the first instance been permitted to enter departments on probation without any particular vacancy requiring to be filled, and even in certain cases without examination, is a noticeable feature in the

service. In order to keep this large body of employees engaged there has grown up a cumbrous and unnecessary duplication of work. In several of the departments there is likewise a great diversity in the manner of performing the same kind of work; and whilst in some, the official correspondence, for example, is conducted in a terse, clear, and logical manner, in others it leaves much to be desired. Promotions too have not carried with them the full significance of the term, and officials have been advanced in salary from length of service alone, and not because the duties they had to perform were more important. This leads to continued apathy and a mechanical style of performing work, which finally results in more clerks being constantly employed than is necessary. There has been, the Commissioners fear, a tendency to make promotions for the benefit of officers who had reached the maximum salaries of their class, whether vacancies in the higher class existed or not, and for that purpose to create unnecessarily higher class clerkships. The Commissioners are of opinion that as a rule there never should be a promotion except to fill a vacancy in an office that it is necessary to continue in the public interest.

DEPUTY HEADS.

Before entering on the subject of recommendations proposed for the acceptance of the Government, the Commissioners deem it desirable to review the position which deputy heads now hold in the public service. In countries such as Great Britain, where responsible Government has developed into its highest form, the position is this, that while the head of the department directs the policy thereof, the deputy head, subject to such policy, directs its administration. Apart from the superior officers of the department with whom he is brought into contact in the transaction of business, a Minister in England may know nothing whatever of the staff individually, and in general does not interfere with appointments, promotions, or superannuations.

In Canada, with a similar system of government, it happens in many cases that Ministers have a much greater and more direct control over the details of the administration of their departments, and while that is not without the advantage of bringing to the conduct of business great experience and the direct responsibility of the person who must answer to Parliament for the manner in which such business is transacted, it will not, it is thought, be doubted that at times it may tend to bring the administration of public affairs somewhat too closely into contact with politics.

As a matter of fact the deputy heads are, under the present law, responsible to their Ministers for the administration of the business of their respective departments, and it is their duty to see that no departmental expenditure is made without authority of law, or in excess of what is fair and just. It is further their duty to oversee and direct all officers, clerks and employees in their several departments.

It is not surprising therefore that the weight of evidence taken was largely in favour of making the position of deputy head a less dependent one, by providing, as in the case of the Auditor General, that they should hold office during good behaviour.

It is thought, however, that it might not be found convenient to provide by legislation that the deputy Heads should hold office during good behaviour, though for all practical purposes that is, and as your Commissioners think it should be, the tenure by which they hold their office. The question is not, however, without difficulties.

In one respect the law as to the exercise of the Crown's power of removal from office is more favourable to deputy heads than it is to other members of the service.

In the case of the former the reasons for the dismissal must be laid before Parliament, and your Commissioners have added to the Bill submitted herewith, a provision that a statement of such reasons shall be communicated to the deputy head within one month after his removal from office, and they have also inserted a clause making it clear that a deputy head may not be suspended except by an Order in Council.

Although a somewhat delicate matter for your Commission to treat upon, seeing that one of their number is a deputy head, yet they are of opinion that the salaries of officers of such responsibility should be more commensurate with the duties they have to perform and the position they occupy than is now the case. In this connection your Commissioners beg to point out the desirability of having in each department a recognized official to take the place of a deputy in case of emergency.

RECOMMENDATIONS.

With regard to these recommendations your Commissioners have thought it advisable on several grounds to embody the principal of them in the shape of a draft of a new Civil Service Act. They have adopted this course rather than make a number of recommendations for amending the various clauses of the Act now in force, with the conviction that time will be saved by their views being thus more clearly enunciated in that form. Your Commissioners are aware that this is a departure from the ordinary course pursued in similar matters to those which they have had under consideration, but under the circumstances they deem its adoption justifiable. The principal recommendations contained in the Bill are (1) the appointment of a Civil Service Commission, and (2) the adoption of the principle of appointment by open competition.

As a final conclusion arising out of their investigation, and after full consideration, your Commissioners recommend the appointment of a board, to be called "The Civil Service Commission of Canada," to consist of one permanent member as chairman, who has had experience in the Civil Service, with an advisory council consisting of four deputy heads, the whole to be appointed in the manner customary with officers of a superior class. In view of the large proportion of the population who are of French origin, and of the intelligence shown in the positions occupied by many of them in the public service, your Commissioners consider it essential that at least one of the five should be a French Canadian.

The tenure of office of the chairman should be similar to that of the Auditor General. He should possess such precedence, position and powers, as would enable him to exercise his functions in an independent manner.

Your Commissioners are of opinion that the members of the Advisory Council should each have an additional allowance of $500 per annum for the performance of such service. The Commission to have the control of the examiners and assistant examiners, and to report yearly to Parliament. The selection of clerks to be left to the Commission, and their appointment to be subject to a term of probation as shown in the draft Bill.

The staff of the Commission to consist of a secretary, and for purposes hereafter set forth, a skilled accountant, to aid the Commission in the performance of their duties. The chairman or any of the staff whom he may designate to be authorized to act as inspector of departments, that duty to be performed systematically but at irregular intervals. Minutes to be kept of all meetings. Your Commissioners are also of opinion, and have embodied in the draft Bill, that the services of this Commission or a part thereof, might with advantage, and when their other duties admitted of it, be utilized

in making enquiries on behalf of the Government in matters of public expenditure and cognate subjects, thereby saving to the country the cost of Commissions such as have heretofore been appointed to enquire into such subjects.

The duties to be assigned to the Civil Service Commission are, generally speaking, two-fold. In the first place it will be its duty to test the fitness for office of candidates for appointment or promotion to any office or position in the Civil Service. It will have no patronage to exercise, and will be free from even a suspicion of acting from interested motives.

In regard to the other leading feature of the Commission's sphere of action, namely, the power to enquire into and report upon the state and management of public business, and the official conduct of public servants, its duty will end with the enquiry and report.

In the organization of the Advisory Council of the Commission it is considered essential that its members should be Deputy Heads. That course is recommended by the Commissioners from the conviction that an intimate knowledge of the service such as is possessed by these gentlemen is necessary to arrive at just conclusions, and at the same time give confidence to the members of the service that all claims would receive consideration and be decided upon their merits, and thus tend to allay any discontent which may arise.

The Commission of 1881, in sketching the establishment of such a body, estimated that the cost would amount to about $25,000 per annum. The cost of the system as now recommended, your Commissioners believe would be much smaller, probably not more than three fifths of that amount, and when it is borne in mind that to such a body could be relegated commissions of enquiry into other matters affecting the expenditures of the country, it will be admitted that the value of the duties to be performed is very much in excess of the cost of the service.

Your Commissioners are of opinion that the Board should at the outset occupy itself by a close inspection of all the departments of the inside service. This inspection should have in view :—

1. The proper distribution of labour so as to avoid elementary work being done by high salaried clerks.

2. The employment of no more than the required number of officers to accomplish the work to be done, and the gradual elimination of incompetent or unnecessary clerks.

3. The adoption of a uniform system of book-keeping, which should be simplified so as to avoid duplication, as amongst other things elicited in the course of the evidence and in the inspection of the departments, it appears the systems of book-keeping followed in the several departments are greatly at variance. In many cases they are obsolete and cumbrous, and contain a large amount of unnecessary detail.

Forms and books to be printed and made on recommendation from the Commission, subject of course to the approval of the Treasury Board as by law required.

The Commission might also consider with advantage from time to time and report upon such matters as

A. The hours of office work.

B. The hours for luncheon.

C. The absence of clerks whether for vacation or for illness.

D. The fines for non-attendance or slight deviation from established rules.

E. Employment of temporary clerks.

F. The matter of changes in the organization of departments to meet the change of circumstances that happens from time to time.

If the principles of the Bill be adopted the Commissioners suggest that in time, and after the inside service has been inspected and the new order of things put into operation, the Commission should then give its attention to the outside service with the same objects in view.

Your Commissioners have found in the course of their investigations that it happens at times there is not between the several departments of the service, and occasionally between branches of the same department, that hearty co-operation that is necessary for the proper transaction of public business. There is also to be noted, too often, an absence of that *esprit de corps* which ought to animate and usually does animate the members of the same body or service. Efforts from time to time, your Commissioners have been told, have been made by some members of the service to awaken and stimulate this sentiment, but it is feared without any marked success. Your Commissioners believe that one effect of the creation of the Civil Service Commission will be to secure this co-operation, create an *esprit de corps*, and result in ensuring to the Ministry and the country a zealous and united service for the conduct of public affairs.

GRADATION OF THE SERVICE.

The general tendency of opinion amongst the Commissioners, as will be seen by the draft Bill, is that it is desirable to make a departure from the mode prevailing at present, and that the grading of the service should be into a high grade staff, and a lower grade staff answering somewhat to the writer class in England, and having such leave of absence and other considerations as are granted as a rule in the mother land. In addition to these, when there is a decided pressure of work in a particular department for a limited period, the services of temporary clerks may be employed when the necessity is apparent to the Civil Service Commission, but they are not to be retained any longer than adjudged necessary by such Commission.

OPEN COMPETITION.

With regard to this fundamental matter it is observed that the system has worked admirably in the mother country, where it has long been in operation. It has also worked well in the United States as far as it has been adopted, and has proved efficacious in correcting many long-standing abuses, and supplying the country with a class of intelligent and industrious officers, to the great advantage of the service both in the way of efficiency and economy. The system is too well established to need any detailed advocacy from your Commissioners, and they recommend its adoption in the conviction that the same beneficial results will follow in Canada.

AGE LIMIT AND NEW OFFICES.

Your Commissioners are of the opinion that the age limit under the present system —35 years—is too high, and they propose in the draft Bill to reduce it to 25 years. They have also embodied therein the principle that no new office should be created without the sanction of Parliament, and after a full enquiry by the Civil Service Commission, and further, that in the event of a vacancy arising in any office, the Commission should

ascertain whether, in case it were deemed necessary to add to the permanent staff, the successor might not be appointed to a lower class than that in which his predecessor was graded.

DEPARTMENTAL ORGANIZATION.

Your Commissioners propose to leave to the Civil Service Commission the duty of enquiring into, and reporting on, the proper organization of each department, as it is manifestly impossible, in the short time at their disposal, with the growing wants of the service and the varied character of the duties performed, for them to arrive at just conclusions on the subject. In this view they are borne out by the fact that one of the results of the Commission of 1881, before alluded to, was the adoption of a special theoretical organization for each department, which, with one exception, has been largely departed from.

OTHER RECOMMENDATIONS.

Having considered these two fundamental recommendations, your Commissioners pass on to some other matters of more or less importance.

RULES OF DISCIPLINE, LEAVE OF ABSENCE, &C.

To this proposed Civil Service Commission might be given the duty of recommending rules of discipline to be observed in the several departments. It is also proposed that they take into consideration and recommend a scale of leave of absence to be granted to the several officials (which, in the case of all officials having to do with either receipts or expenditures in any form, should be made compulsory) as your Commissioners find from enquiry that while three weeks' leave is in general sufficient, yet for certain officers, whose position and duties entail prolonged mental strain, there might be at times, to some extent, a certain deviation from this practice. It must be remembered also that owing to the wide extent of the Dominion a considerable portion of the statutory leave of three weeks is consumed by some of the clerks in going to and from their homes. From the evidence before them on the subject of sick leave, the Commissioners are of opinion that it would be better to have medical certificates submitted in every case, and grant permissive leave for a certain period with power of extension for a further period if deemed necessary on half pay. But the proposed Commission might very properly consider and report on such matters from time to time as circumstances dictated.

Your Commissioners are of the opinion that the provisions of the present law, requiring from those who are absent through illness the certificate of the medical examiner appointed by the Government, is a cause of needless expense to public servants, of discontent amongst the members of the medical profession, and is on the whole detrimental to the service. If it is found impracticable for the Government to employ and pay a medical officer for making examination in cases of illness, where an examination by an outside physician is deemed necessary, your Commissioners would recommend that the certificate of any member in good standing of an authorized medical association should be accepted, such certificate of course to be full and explicit. In many instances it has been pointed out that in grave cases of fever, grippe, and other specific diseases, in addition to the fees payable by the patients to their own medical attendant, fees have had also to be paid to the medical examiner of the Government. This, in the opinion of the Commissioners, is an injustice to public servants.

HOURS OF ATTENDANCE AND REGISTRY THEREOF.

With regard to the hours of attendance in the several departments, the Commissioners, whilst of opinion that the ordinary working day should be considered as from 9.30 a.m. to 5 p.m., do not, however, see the necessity of laying down any specific rule, for the reason that if the work of the department is not in arrear and if no extra help is employed or required, they can see no objection to allowing the officers to leave at an earlier hour, but not earlier than 4, at the discretion of the deputy, as is the case with the officers in banks throughout the country, allowing however the Commission, if constituted, the duty from time to time of making enquiry regarding this subject; but it must be understood that on the other hand all officers should be expected to attend beyond the times mentioned whenever the necessities of the service should require it and without extra cost to the State, as has been found by the Commissioners to be the practice elsewhere.

Your Commissioners consider that the keeping up of the register of attendance is a matter of primary importance, and that if an inspection of departments is determined on, as is desirable, such inspection should embrace a regular examination of the attendance of the officers. It is to be noted that in one of the departments the attendance book has been enlarged so as to show the time at which officers leave as well as the time of their arrival. It is desirable, however, that the rule requiring attendance at 9.30 a.m. should mean 9.30 and not 10 o'clock.

PURCHASING DEPARTMENTS.

This is fully treated of in the separate report on Revenue and Expenditure, but generally it may be stated that there has been a tendency in some cases to purchase in such a manner that the Government pays retail prices for wholesale quantities.

ARRANGEMENT OF THE OFFICES.

Your Commissioners are of the opinion that, wherever possible, alterations be made in the arrangement of the offices of the several departments, with the view of increasing the supervision and improving the discipline of the clerks. It is a well known principle that to ensure proper performance of work, supervision, and discipline, in a business office, the chief responsible officer must be in a position to have an efficient purview and close communication with his subordinates, and the proper grouping of men whose work is related. This is usually attained by special arrangements as to large rooms and galleries. In the absence of this it is impossible under any theoretical system to ensure that work shall be done as economically as it is possible, and it is difficult, if not impossible, to prevent idling, unnecessary absences, and needless multiplication of officers and largely increased expense. When a responsible chief finds himself cut off from his subordinates by long distances, many flights of stairs, or still worse, by having his staff in separate buildings, no matter how zealous he may be, he will inevitably after a time cease to attempt such control as he knows to be desirable, seeing that to visit his different offices would entail such an expenditure of time as to prevent his attending to his own duties. With regard to the ordinary work of the department, when officers whose work is connected are separated by long distances, great waste of time is occasioned by the necessity of writing notes, references, and memoranda, and writing replies to them; or by the necessity of sending for officers from other buildings, all which detracts from efficiency.

Even when the clerks and officers of a department are all on one floor in the same building, if they are divided amongst a number of small rooms, it is impossible to have as close supervision and as efficient performance of work as if they were working at desks in one large office.

The Commissioners have no doubt, after careful examination, that if the arrangement throughout were that of separate rooms for chief officers, and large adjoining rooms for the staff under their control, the work could be done more efficiently. They lay the greatest possible stress on this. It is a *sine qua non* of any future improvement made, and they recommend that the Chief Architect be directed to draw up plans in order, if possible, that this object may be accomplished. From tentative enquiries made they are led to believe that a large measure of improvement can be made, at a moderate cost compared with the economy which is certain to result.

FIRE PROTECTION AND PROTECTION OF DEPARTMENTS GENERALLY, RECORDS, &C.

In this connection the Commissioners would call attention to the fact that valuable records of all kinds are left in an insecure condition and liable at any moment to be utterly destroyed by fire. One of the earliest functions of the Civil Service Commission should be an investigation into the whole subject of departmental and other records.

It is further noticed that three departments are charged with the keeping of records, and three separate expenditures are incurred for this object. Votes are taken by the Privy Council Office, and by the Department of the Secretary of State, for the classification of old records, also by the Department of Agriculture for the Dominion Archivist and Assistant. It is recommended that the historic records that have gone out of reference in the work of the departments, be placed in charge of the Dominion Archivist, and only records to which reference is frequently required be kept in the several departments.

Your Commissioners would also call attention to the unprotected state of the orridors in the several buildings between the hours of four o'clock, when the majority of the clerks leave for the day, and six o'clock, when the Dominion Police take control of the buildings. They strongly recommend that greater supervision in the matter of ingress and egress be exercised between the hours named.

IMMIGRATION.

From the evidence taken by your Commissioners it would appear desirable as a matter of public policy that the administration of all matters connected with immigration should be transferred from the Department of Agriculture, and be placed under the control of the Department of the Interior, as there appears to the Commission to be a lack of touch between the two departments. As a consequence, when immigrants arrive in the North-West, they are not placed immediately in connection with the land offices, and are not as quickly located as would be the case if the duties of the two departments in this respect were amalgamated. In the keen competition for desirable immigrants it is important that no facility for placing them properly and with the least loss of time should be neglected. In addition to such, an amalgamation would no doubt result in reducing the number of officers employed in that part of the public service.

MAPS AND PLANS.

Your Commissioners find that maps for various purposes are prepared in several departments, and by the evidence produced it is shown that differences frequently

occur in maps of the same district when issued by more than one department. To prevent this, and to promote accuracy and security, it is recommended that a special cartographical branch be created, and that the duty of this branch of the public service should be to issue reliable maps of the various parts of the Dominion.

MARINE AND FISHERIES.

Your Commissioners observe that it has been found unnecessary to continue the division of the Department of Marine and Fisheries into two departments, and that it is thought the affairs of the department will be more economically administered by a single staff of officers, the Minister and his Deputy being assisted, in respect of those questions which relate more especially to the conservation of the valuable fisheries, by the study and experience of an expert.

GENERAL IMPROVEMENTS.

There can be no doubt that a careful and patient enquiry into the working of the several offices and branches of the service will suggest other changes and reductions, and do much to withstand the tendency that there always is in the administration of public affairs, to a duplication of work and a multiplication of offices. This can always be best and most economically effected when a vacancy occurs. To give an example; the vacancy in the office of Secretary of the Department of Railways and Canals affords an opportunity to enquire and see whether or not in a department consisting of two branches—each presided over by a Chief Engineer—it is necessary also to have both a Deputy Head and a Secretary of the department. The like problem would present itself if a vacancy should occur in the office of Deputy Head or Secretary of the Public Works Department. A further example is to be found in the Customs Department, where a Chief Clerkship is now vacant. The idea of economy presented by the former Commission of 1881, with regard to the amalgamation of the Civil and Military Branches of the Department of Militia, might also on the first vacancy be enquired into to see whether it could be carried into effect.

To such enquiries as these the Civil Service Commission, if constituted with sufficient powers, could from time to time address itself, reporting the result of their investigations to the Governor in Council for his consideration, and such action as he might see fit to take.

Your Commissioners consider that in the matter of the issue of commissions to public officers a great saving of labour and expense could be saved in the Department of the Secretary of State. The list of officials to whom commissions are issued seems to your Commissioners to be too comprehensive, and in the great majority of cases the passage of Orders in Council authorizing the respective appointments would be quite sufficient, and would answer the purpose equally as well.

SPECIFIC VOTES.

Your Commissioners when examining into the question of the employment of extra clerks, have had impressed upon them the desirability of having specific votes taken by the several departments to cover the cost of extra assistance, as it seems in the highest degree undesirable that payments of this character should be spread over a number of different services instead of appearing under one head. The present mode not only leads to abuse but almost invites it.

GENERAL REMARKS.

In the draft Bill accompanying this report it will be noticed that the provisions of the present Act relating to the offices of City Postmasters, Assistant Postmasters *et al* remain unchanged, for the simple reason that the outside service formed no part of the reference to the Commission.

Your Commissioners in conclusion beg to call attention to supplementary reports and memoranda relating to the questions of revenue and expenditure, and superannuation, and also to the report as to the inspection of the several departments made by two of their members.

In compliance with the directions laid down in the reference your Commissioners have the honour to report the evidence submitted to them, and in doing so they desire to place on record the great and valuable assistance this evidence has been to them in the preparation of their report. Coming as it does from a body of able men, many of whom have been exceedingly frank in the manner in which they have testified, it invites perusal and attention, and your Commissioners commend it to careful consideration.

Your Commissioners cannot close this report without expressing their belief that in spite of many defects and abuses such as have been pointed out, the country has in its service at Ottawa a large number of officers of high character and ability, whose energies and time are devoted systematically and conscientiously to the discharge of their duties. The recognition of this fact is at the present moment only an act of justice, and the Commissioners have pleasure in putting it on record.

Your Commissioners have finally to append the draft Civil Service Bill, to which reference has been made throughout this report. In their opinion, if it is presented to and adopted by Parliament, it will to a great extent prevent the recurrence of those evils which at present are found to exist. In framing the provisions of the Bill, your Commissioners have had in view what they believe to be possible in the way of practical legislation on the subject.

It is possible that public sentiment in Canada may not as yet be ripe for open competition generally, and it may not be possible as yet to eliminate altogether the power of politics in making appointments; but if the recommendations of your Commissioners be accepted and strictly adhered to, the public service at Ottawa will, they are convinced, in the course of a few years, be better for the change. Intelligence and capacity will meet with their due reward, politics and favouritism will cease to dominate, the service will soon become attractive to many persons who now seek other avenues of employment, and in general the title of public servant will be an honour to be coveted. The doors to appointments and promotions in the service will open only to capacity and honesty, and no man or woman who aspires, as all have a right to aspire, to any such position, will have occasion to seek or use any influence less honourable than his or her own merit and fitness for office.

All of which is respectfully submitted,

GEO. HAGUE,
GEO. W. BURBIDGE,
E. J. BARBEAU,
J. M. COURTNEY.

J. H. FLOCK, *Secretary*,
OTTAWA, 21st April, 1892.

No. .] **BILL.** [1892.

An Act respecting the Civil Service of Canada.

HER Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

SHORT TITLE.

1. This Act may be cited as *The Civil Service Act*, 1892. R. S. C., c. 17, s. 1.

INTERPRETATION.

2. In this Act, unless the context otherwise requires,—

(*a.*) The expression "Head of a Department" means the Minister of the Crown for the time being presiding over such department;

(*b.*) The expression "Deputy," "Deputy Head," or "Deputy Head of the Department," means the Deputy of the Minister of the Crown presiding over such department. R. S. C., c. 17, s. 2.

(*c.*) The expression "The Board" means the Board of Civil Service Commissioners hereby constituted;

(*d.*) The expression "The Civil Service Act" means the seventeenth chapter of the Revised Statutes of Canada, and the Acts in amendment thereof, or the Acts of which such chapter is a consolidation, as the case may be;

(*e.*) The expression "Service" means the Civil Service as defined by this Act.

CONSTITUTION OF THE CIVIL SERVICE.

3. The Civil Service, for the purposes of this Act, includes and consists of all classes of officers and employees, in or under the several departments of the executive government of Canada and in the office of the Auditor General, included in Schedules A and B to this Act, and such other officers and employees as the Governor in Council from time to time brings under the provisions thereof. R. S. C., c. 17, s. 3, *amended.*

4. The Civil Service consists of the Inside Service and the Outside Service. R. S. C., c. 17, s. 4, *part.*

5. The Inside Service is divided into two divisions, called respectively the First Division and the Second Division, and including the following classes of officers, clerks and employees employed on the several departmental staffs at Ottawa and in the office of the Auditor General, that is to say:

First Division.

(*a.*) Deputy Heads of departments;
(*b.*) Officers having special professional or technical qualifications;
(*c.*) Chief clerks;
(*d.*) First-class clerks;
(*e.*) Second-class clerks; and
(*f.*) Third-class clerks.

Second Division.

(*a.*) Officers having special professional or technical qualifications;
(*b.*) Shorthand writers, type-writers, précis-writers abstractors, indexers, copyists and writers generally;
(*c.*) Messengers, overseers, packers, sorters and persons filling like positions. R. S. C., c. 17, s. 4, *and Schedule A, amended.*

6. The Outside Service includes all persons employed in the Civil Service otherwise than on the departmental staffs at Ottawa, and the Governor in Council may divide the same into two divisions, to be known as the first division and the second division, and determine what classes of officers or employees shall belong to each division, the relative grades of the different classes in the Outside Service, and all matters incident to appointment and promotion therein, not herein otherwise provided for. R. S. C., c. 17, s. 4, *part amended.*

7. The Governor in Council shall, from time to time, subject hereto, and to any departmental Act, determine the number of officers, chief clerks, clerks, messengers and other employees that are required for the working of the several departments of the Civil Service, but the number thereof in any class in the Inside Service shall not exceed that prescribed in Schedule A to this Act. R. S. C., c. 17, s. 6 (1), *amended.*

8. If the number of employees attached to any department of the Civil Service is greater than the number allowed to the department, the Governor in Council shall name the persons to fill the several offices; and the remainder shall be supernumerary clerks, without being eligible for increase of salary, of that class respectively in which they rank, and shall so remain until promoted in the manner herein provided or until retired from the Service. R. S. C., c. 17, s. 6 (2), *amended.*

THE CIVIL SERVICE BOARD.

9. A Board of Civil Service Commissioners shall be constituted, consisting of five members, to be from time to time, appointed by the Governor in Council.

10. The Chairman of such Board shall hold office during good behaviour and shall be paid such annual salary as the Governor in Council from time to time determines, not exceeding any salary that may for the time being by law be paid to a Deputy Head; and he shall not hold any other office under the Crown.

11. The other members of such Board shall be Deputy Heads of departments, and shall each be paid for his services as such member such annual salary not exceeding the sum of five hundred dollars as the Governor in Council from time to time determines. Whenever the chairman of the Board for the time being is not a French Canadian, one at least of the other members thereof shall be a French Canadian.

12. The Governor in Council may appoint a secretary to the Board at an annual salary not exceeding dollars, and a skilled accountant at an annual salary not exceeding dollars, and, the salaries for the same having been first voted by Parliament, such other officers and clerks as may be found necessary for the performance of the duties of the Board.

13. The general administration of the work of the Board shall be under the direction of the chairman, but the Board shall meet once a week, and oftener if necessary, to consider and decide upon any exception taken to or appeal from any decision or action of the chairman, and upon any matter which the chairman or any member of the Board may bring before it, and minutes of every such meeting shall be duly kept.

14. It shall be the duty of the Board,—

(*a.*) To test the qualifications and fitness for office of candidates for appointment or promotion to any office or position in the service. Eng. O. C., June 4, 1870.

(*b.*) From time to time, either by direction of the Governor in Council, or of its own motion, to inquire into and report upon the state and management of the business of the several departments of the Service, and the conduct of the persons employed therein, so far as relates to their official duties. R. S. C., c. 115, s. 1.

15. The examiners appointed under *The Civil Service Act* shall continue to hold office during the pleasure of the Governor in Council, and to receive such annual salaries not exceeding four hundred dollars each as the Governor in Council may from time to time determine. They shall be under the direction of the Board, and shall assist in the examination of candidates for appointment to or promotion in the Service.

But no vacancy occurring in any such office of examiner shall be filled. R. S. C., c. 17, s. 8 (1) *and* (3) *part, amended.*

16. The Board may from time to time employ competent persons to assist in the conduct of examinations that may be held under this Act, and such persons shall be paid such sums not exceeding *five* dollars per day for the time during which they are so employed as the Governor in Council from time to time determines. R. S. C, c. 17, ss. 8 (5), *part, and* 9.

APPOINTMENTS AND SALARIES.

17. Except as herein otherwise provided,—

(*a.*) All appointments to the Civil Service shall be made by Order in Council and shall be during pleasure, and no person shall be appointed or promoted to any place below that of a Deputy Head unless he has passed the requisite examinations and served the probationary term hereinafter mentioned;

(*b.*) No person shall be appointed to any place in the first division of the Inside Service, other than that of a Deputy Head, on probation or otherwise, whose age exceeds *twenty-five* years, or who has not attained the full age of eighteen years. R. S. C., c. 17, s. 10, *amended.*

18. The Deputy Heads of departments shall be appointed by the Governor in Council, and shall hold office during pleasure; but whenever such pleasure is exercised in the direction of removing a Deputy Head from his office, a statement of the reasons for so doing shall be communicated to him in writing within one month after the order for his removal is made, and shall be laid on the table of both Houses of Parliament within the first fifteen days of the next following session. R. S. C., c. 17, s. 11, *amended.*

19. There shall be a Deputy Head for each department; and no officer shall hereafter be raised to the rank of Deputy Head except in the case of a vacancy occurring, or when a new department is created by Act of Parliament; but nothing herein shall affect persons who have been heretofore promoted to the rank of Deputy Head. 51 Vic., c. 12, s. 3.

20. The salaries of the Deputy Heads shall be determined by the Governor in Council, according to the duties and responsibilities of their respective departments. The minimum salary of a Deputy Head shall be three thousand two hundred dollars, and the maximum salary shall be *five* thousand dollars. R. S. C., c. 17, s. 12, *amended.*

21. The chief clerkships, first-class clerkships and second-class clerkships now existing in the Inside Service, and mentioned in Schedule A to this Act, shall be continued until abolished by Parliament or in accordance herewith.

22. Except as herein otherwise provided, no such chief, first-class or second-class clerkship shall hereafter be created, except by Act of Parliament passed after a report in writing has been made by the Deputy Head and concurred in by the Civil Service Board and the Head of the department stating, for reasons to be given therein, that the creation of such clerkship is necessary for the proper transaction of the public business of the department. R. S. C., c. 17, ss. 15, 17 *and* 19 (*parts*), *amended.*

23. The Governor in Council may abolish any such chief, first-class or second-class clerkship, and by the Order in Council abolishing the same may, if he see fit, create any lower class clerkship in lieu thereof.

24. A third-class clerkship in the Inside Service may be created by Order in Council passed on the report of the Deputy Head, concurred in by the Civil Service Board and by the Head of the department, setting forth the reasons for creating the office, and after the salary has been voted by Parliament. Any third-class clerkship may be abolished by Order in Council. R. S. C., c. 17, s. 21 (*part*), *amended.*

25. The minimum and maximum salaries to be paid to chief, first-class, second-class and third-class clerks, respectively, shall be as follows :—

(*a.*) To a chief clerk, one thousand eight hundred dollars and two thousand four hundred dollars;

(*b.*) To a first-class clerk, one thousand four hundred dollars and one thousand six hundred dollars;

(*c.*) To a second-class clerk, one thousand dollars and one thousand two hundred dollars; and

(*d.*) To a third-class clerk, five hundred dollars and eight hundred dollars.

Provided, that in respect to any first-class, second-class or third-class clerk now belonging to the Inside Service, the provision of *The Civil Service Act* as to the minimum and maximum salaries to be paid to said clerks, respectively, shall during his continuance in the Service continue in force as to such clerk; that is to say:

(*a.*) To a first-class clerk, one thousand four hundred dollars and one thousand eight hundred dollars;

(*b.*) To a second-class clerk, one thousand one hundred dollars and one thousand four hundred dollars; and

(*c.*) To a third-class clerk, four hundred dollars and one thousand dollars. R. S. C., c. 17, ss. 16, 18, 20, 22, *amended.*

26. The salary of an officer or clerk on appointment or promotion to any office or position in the Service shall begin at the minimum salary for such office or position except when the

appointment or promotion is made from the second division of the Inside Service, in which case the Governor in Council may, within the limits prescribed by this Act, fix such salary at any sum not exceeding that which such person is at the time receiving. 51 Vic., c. 12, s. 4, *amended.*

27. Any chief, first-class, second-class or third-class clerk who performs the duties of his office with zeal and efficiency for the period of one year after his appointment, promotion or last increase of salary, as the case may be, shall, if he has not reached the maximum of his class, be eligible for an increase of salary not to exceed in the case of a chief clerk one hundred dollars per annum, and in other cases fifty dollars per annum.

28. Any member of the Civil Service may be appointed private secretary to the Head of a department, and may, if the same has been voted by Parliament, be paid an additional salary not exceeding six hundred dollars a year whilst so acting. R. S. C., c 17, s. 48, *redrafted.*

29. The number of officers, clerks and employees employed in any class in the second division of any department or branch of the Inside Service shall not, without the special authority of Parliament, exceed that authorized in schedule A to this Act, and if at the time of the coming into force of this Act the number of persons so employed in any such class exceeds that so authorized, the Governor in Council shall designate the persons to fill the authorized positions, and the others shall be retired.

30. No person shall hereafter be appointed to any position mentioned in classes (*b*) and (*c*) of the second division of the Inside Service whose age at the date of the appointment exceeds twenty-five years, or who has not attained, in the case of class (*b*), the full age of seventeen years, and of class (*c*) the full age of fifteen years.

31. The salaries to be paid to the officers, clerks and employees of the second division of the Inside Service shall not exceed the following rates, that is to say:—

(*a.*) In class (*a*) the lowest salary paid to an officer of like class in the first division;

(*b.*) In class (*b*) seventy-five dollars per month; and

(*c.*) In class (*c*) fifty dollars per month.

The minimum rate of salary to be paid to any person appointed to any position in classes (*b*) and (*c*) shall, if such person is under eighteen years of age, be in respect of class (*b*) twenty-five dollars per month and of class (*c*) fifteen dollars, and if such person is over eighteen years of age and under twenty-one years of age, in respect of class (*b*) forty dollars and of class (*c*) twenty-five dollars.

Any person who at the time of his appointment to any position in class (*b*) is over twenty-one years of age may, within the limits hereby prescribed, be paid such salary as the Governor in Council, having reference to his qualifications and the duties which he is to perform, deems proper.

32. Any member of the second division of the Inside Service who performs the duties of his office with zeal and efficiency for the period of one year after his appointment or last increase of salary, as the case may be, shall, if he has not reached the maximum of his class, be eligible for an increase not exceeding the rate in respect of classes (*a*) and (*b*) of fifty dollars per annum, and in respect of class (*c*) of thirty dollars per annum.

33. The minimum salary of a messenger, packer or sorter who is now a member of the Inside Service shall be three hundred dollars per annum, with, if his duties are performed with zeal and efficiency, an annual increase of thirty dollars up to a maximum of five hundred dollars. R. S. C., c. 17, s. 23, *amended.*

34. The officers, clerks and employees mentioned in Schedule B to this Act shall be paid according to the scale thereby established, and the salaries of officers, clerks and employees in the Outside Service of departments other than the Customs, Inland Revenue and Post Office departments shall, subject to the provisions of any Act relating thereto, be fixed in each case by order in Council passed on the report of the Deputy Head, concurred in by the Head of the Department. R. S. C., c. 17, s. 25, *amended.*

35. No officer, clerk or employee shall receive any increase of salary except by Order in Council passed on the report of the Deputy Head, concurred in by the Head of the department, stating that such officer, clerk or employee has performed his duties with zeal and efficiency, and is deserving of such increase. R. S. C., c. 17, s. 26, *part amended.*

36. The increase of salary shall, if granted, be payable from the first day of the fiscal year next succeeding the date on which, from his length of service, any clerk or employee for whom such increase is recommended is eligible for such increase. Provided, that in the case of persons who become eligible for such increase three months or more prior to the first day of any such fiscal year the Governor in Council may, on the occasion of the first increase given after this Act comes into force, or after the appointment or promotion of such person, make such increase greater by one-fourth, one-half or three-fourths than it otherwise would be, according as to whether such person

was eligible for such increase three, six or nine months prior to the first day of such fiscal year, and if he sees fit may pay to such person in addition any arrears to which he would have been entitled had his increase taken effect from the first day of the official quarter next succeeding the date on which he became eligible for such increase. R. S. C., c. 17, s. 27, *amended.*

37. In case of promotion, the salary attaching to the office to which such promotion is made shall become payable from the first day of the month in which such promotion is made. R. S. C., c. 17, s. 27 (2), *redrafted.*

38. The salaries of members of the Inside Service shall be paid from moneys voted by Parliament for Civil Government and not otherwise.

39. No salary shall be paid to any member of the Civil Service whose appointment or promotion, or whose increase of salary after the first day of July, one thousand eight hundred and eighty-two, has not been or is not made in the manner provided by the Civil Service Act or this Act. R. S. C., c. 17, s. 28.

40. Whenever a vacancy first occurs after the passing of this Act in any office or position in the Service, the fact shall be reported to the Civil Service Board, and it shall forthwith inquire as to whether such office may, without injury to the public interest, be abolished, and if so whether it is necessary in respect of the work to be done to create in lieu thereof an office of a lower class, and with a lower salary attached thereto, and shall report its conclusions to the Governor in Council.

41. No such vacancy so first occurring after the passing of this Act in any office or position in the Service shall be filled without a report from the Deputy Head, concurred in by the Civil Service Board and the Head of the department that it is necessary in the public interest to continue such office or position.

TRAVELLING ALLOWANCES.

42. The Governor in Council may, from time to time, by general or special order, prescribe the travelling allowances to be paid to the chairman or any member of the Civil Service Board, or to any officer or person employed by it, or to any member of the Service while engaged in the performance of his duties at any place other than that at which he resides. R. S. C., c. 17, s. 8 (4), *extended.*

EXAMINATIONS—FIRST APPOINTMENTS—PROMOTIONS.

43. The Civil Service Board may, with the approval of the Governor in Council, from time to time make regulations, not

inconsistent with this Act, in respect to the examination of candidates for appointment or promotion to any office or position in the Service, and such regulations shall be published in the *Canada Gazette* in the English and French languages. 51 Vic., c. 12, s. 5 (*part*), *amended.*

44. The Board shall hold, or cause to be held, periodical examinations at the cities of Halifax, St. John, N.B., Charlottetown, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Victoria, and such other places as are determined by the Governor in Council; it shall not be necessary to hold such examinations in all the said places, but the times and places at which the examinations shall be held shall be determined, from time to time, by the Governor in Council. R. S. C., c. 17, s. 9 (1), *part.*

45. All examinations under this Act shall be held in the English or French language, or in both, at the option of the candidate, and shall, as far as possible, be in writing, and the cost thereof shall be defrayed out of moneys voted by Parliament for that purpose. R. S. C., c. 17, s. 9 (*part*), *and* s. 32 (*part*).

46. Notice of every examination to be held under this Act shall be published in the English and French languages in the *Canada Gazette* at least one month before the date fixed for the examination. R. S. C., c. 17, ss. 33 *and* 41.

47. A preliminary examination shall be held annually during the month of November. It shall be of two kinds, primary and advanced, and shall be open to all persons who comply with the requirements of this Act as to proof of age, health and character, and conform to the regulations made as herein provided, and upon payment of such fees as are determined by the Governor in Council. R. S. C., c. 17, s. 32, *and* 51 Vic., c. 12, s. 5, *part.*

48. No person shall be admitted to the preliminary examination until he has satisfied the Board—

(*a.*) That at the time appointed for such examination he will, if a candidate for the primary examination, be of the full age of fifteen years, and in other cases of the full age of eighteen years, and if he seeks to become eligible for appointment to any office or place in the Inside Service that his age will not then be more than *twenty-five* years;

(*b.*) That he is in good health and free from any physical defect or disease which would be likely to interfere with the proper discharge of his duties;

(*c.*) That his character is such as to qualify him for employment in the Service. R. S. C., c. 17, s. 30, *redrafted.*

49. Immediately after each preliminary examination a list of the persons who pass the same shall be made out and published in the *Canada Gazette.* R. S. C., c. 17, s. 34.

50. Every person who passes the primary examination under this Act, or who has passed the preliminary examination under the Civil Service Act, shall be eligible for nomination for appointment to any of the following positions :—

Messengers in either the Inside or the Outside Service,
Porters,
Overseers.
Sorters,
Packers,
Letter Carriers,
Mail Transfer Agents,
Box Collectors,
Tide Waiters,
Assistant Inspectors of Weights and Measures,
Temporary copyists, and—

Such other positions in the lower grades as are determined by the Governor in Council.

But no person nominated for any such position shall be appointed on probation or otherwise until he has obtained from the Civil Service Board a certificate that in its opinion he has the requisite qualification, character and health for the performance of the duties of such position. Such certificate shall not be granted in any case in which the position is to be filled by a limited or open competitive qualifying examination unless the applicant has passed such an examination. R. S. C., c. 17, s. 29 (*part*), *amended.*

51. Every person who passes the advanced examination under this Act, or who has passed the qualifying examination under the Civil Service Act, shall be eligible for nomination for appointment to any of the following positions :—

Third-class clerkships in the first division and any position in class (*b*) in the second division of the Inside Service ;

Third-class clerkships and the offices of landing waiters and lockers in the Outside Customs service ;

Third-class clerkships and the office of exciseman in the Outside Inland Revenue service ;

Third-class clerkships, railway mail clerkships, and the offices in the Outside Post Office service :

Such other offices or positions as are determined by the Governor in Council.

But no one nominated for any such office or position shall be appointed on probation or otherwise until he has passed a qualifying examination and obtained from the Civil Service Board a certificate that in its opinion he has the requisite

qualifications, character and health for the performance of the duties of such office or position. R. S. C., c. 17, s. 29, *part.*

52. A nomination for appointment to any office shall be made by the Head of the department in which the vacancy to be filled exists, and no person shall be so nominated who is not at the time eligible therefor within the meaning of this Act.

53. The Governor in Council may, in respect of any office or position, or any class of offices or positions in the Service, except such as may be filled by promotion, and the Head of a department may in respect of any such office or position, or classes of offices or positions in his department, provide that any vacancy occurring therein shall be filled by a competitive qualifying examination open to all persons eligible for nomination thereto.

54. Qualifying and promotion examinations shall be held from time to time as vacancies occur, and shall be in such subjects and of such a character as the Civil Service Board, on the report of the Deputy Head, concurred in by the Head of the department in which the vacancy exists, deems best adapted to test the fitness of any candidate or candidates for the performance of the duties of the office to be filled. Instead of R. S. C., c. 17, s. 39 (2), as enacted in 51 Vic., c. 12, s. 8.

55. In the case of persons who entered the Service before the first day of July, one thousand eight hundred and eighty-two, any promotion examination shall be limited to the duties of the office to which such person seeks to be promoted. 51 Vic., c. 12, s. 15.

56. A qualifying examination shall be open to—

(*a.*) The person or persons nominated by the Head of the department in which the vacancy exists; or

(*b.*) In the case of an open competitive examination to all persons eligible for nomination to the office to be filled.

If in case (*a*) more persons than one are nominated the relative fitness of such persons for the office to be filled shall be tested by a competitive qualifying examination limited to the persons so nominated.

57. If the person nominated for any office fails to pass the qualifying examination, or if in any case of a limited or open competition, all the nominees or candidates fail to pass the same, another qualifying examination shall be held for such office, and so on as often as the same thing happens.

58. Every appointment shall be made subject to a probation of six months, and the Head of the department or the Deputy Head may, at any time during the period of probation, reject any clerk or employee appointed to his department whom he finds unfit for the office. R. S. C., c. 17, s. 35, *redrafted.*

59. No probationary officer or clerk shall remain in any department more than six months, unless, at or before the end of that time, the Deputy Head reports to the Head of the department in writing that such officer or clerk is considered by him to be well fitted for the duties of the office or position.

If he is rejected the Head of the department shall report to the Governor in Council the reasons for rejecting him, and another officer or clerk shall thereupon be selected in his stead.

If he has been appointed after a limited or open competitive qualifying examination the office or position shall be offered in turn to the persons having the next highest standing at such examination. R. S. C., c. 17, s. 36, *amended.*

60. Every promotion shall be made by Order in Council; and no promotion shall be made except to fill a vacancy then existing in the Service, nor (except as herein otherwise provided) without an examination.

61. No one who is over *fifty-five* years of age shall be eligible for any promotion examination, and when the vacancy to be filled by promotion exists in the Inside Service the examination shall not be open to persons employed in the Outside Service who, at the date of their first appointment, were of a greater age than *twenty-five* years. R. S. C., c. 17, s. 39 (1) *and* (3), *amended.*

62. Subject to the provision of the section next preceding, a promotion examination shall be open to all persons in the department who at the time are serving in the class or grade next below that in which the vacancy exists; if no person in the department in such class or grade passes such examination, but not otherwise, another examination shall be held, open to all persons in the Service in such class or grade, and if no one in such class or grade passes such examination, another examination shall in like manner be held open to the whole Service.

63. A promotion examination for a second-class clerkship in the first division of the Inside Service shall be open to persons serving in class (*b*) of the second division thereof, in like manner as if such persons were third-class clerks.

64. A promotion examination shall not be considered to be competitive, but the Governor in Council may, on the report of the Deputy Head concurred in by the Head of the depart-

ment, from those who have passed such examination select for promotion the person whom he considers best fitted for the office, having due reference to any special duties incident to such office, to the qualification and fitness shown by the candidates, respectively, during their examination, and to the record of their previous conduct in the service. R. S. C., c. 17, s. 42 *amended.*

65. Every promotion to any office or position shall be subject to a probation of not less than six months; and at any time during such period of probation the Head of the department or Deputy Head may reject the person promoted, if he finds him unfit for the office, and he shall not continue to hold such office or position for more than six months, unless, at or before the end of that time, the Deputy Head reports to the Head of the department, in writing, that such person is considered by him to be well fitted for the duties of the office. R. S. C., c. 17, s. 43 (1), *amended.*

66. If no such report is made in respect of the person so selected, he shall then return to the performance of the duties in which he was previously engaged, or, if the office or position that he formerly held has been filled, shall become a supernumerary officer or clerk. R. S. C., c. 17, s. 43 (2), *amended.*

67. When any clerk who is promoted on probation is rejected the Head of the department shall recommend another in his stead from among those who have passed the promotion examination for the office or position to be filled, and if there is no such person another examination shall be held as herein provided. R. S. C., c. 17, s. 44, *amended.*

68. During the period for which an officer or clerk is promoted on probation the duties of the office previously held by him shall, if necessary, be performed by a person selected for that purpose from the persons serving in the department, by the Head of the department, on the report of the Deputy Head. R. S. C., c. 17, s. 45, *amended.*

CASES IN WHICH EXAMINATION SHALL NOT BE NECESSARY.

69. When the Deputy Head of a department in which a vacancy occurs reports, for reasons set forth in such report,—

(*a.*) That the qualifications requisite for such office or employment are professional or technical;

(*b.*) That the requisite qualifications are not possessed by any person then in the service of that department; and

(*c.*) That it would be for the public interest that the examinations herein provided for should, as regards such vacancy, be wholly or partially dispensed with.

The Governor in Council may, without reference to the age of the person, if the Civil Service Board and the Head of the department concurs in such report, select and appoint such person as is deemed best fitted to fill the vacancy, subject, in any case in which a certificate of such qualifications granted by some competent and recognized authority is not produced, to such examination as is suggested in the report; and such appointment shall be made from the Civil Service, if any person employed therein is found available. R. S. C., c. 17, s. 37 (1), *amended.*

70. No preliminary examination shall be necessary in the case of graduates of the Royal Military College, or of any University in Canada, and any such graduate shall be eligible for nomination for appointment to any office or position for which he would be eligible if he had passed such examination. 51 Vic., c. 12. s. 5, *part redrafted.*

71. The preliminary and qualifying examinations may be dispensed with in the case of any person actually and continuously employed on and since the first day of July, one thousand eight hundred an eighty-two, if the Deputy Head of the department, with the concurrence of the Civil Service Board and the Head of the department, reports that the said employee has the requisite qualifications for the place to be filled by him; and such person may, if at the date of such temporary employment his age did not exceed thirty-five years, receive a permanent appointment in the Civil Service for which he is otherwise eligible at a salary equal to his average pay during the two years previous to such permanent appointment, but in no case to exceed the amount of one thousand dollars per annum. R. S. C., c. 17, s. 37 (3); *and* 57 Vic., c. 12, s. 11, *combined.*

72. In the case of a barrister, attorney, military or civil engineer, officer of the artillery in the Militia Department, architect, draughtsman or land surveyor, when employed or when seeking promotion in the line of his profession, who produces a certificate of his qualifications granted by some competent and recognized authority, and in the case of special class excisemen seeking promotion in the Department of Inland Revenue, the preliminary qualifiying or promotion examination may be dispensed with on a report from the Deputy Head, concurred in by the Head of the department, that such examination is not necessary. 51 Vic., c. 12, s. 8; *amended.*

73. No such examination shall be required for the re-employment or promotion of excisemen who passed the departmental examinations for the special class in the excise service

before the first day of July, one thousand eight hundred and eighty-two. R. S. C., c. 17, s. 39 (5).

74. City Postmasters and Post Office Inspectors; Inspectors, Collectors and Preventive Officers in the Customs Department; Inspectors of Weights and Measures; and Deputy Collectors and Preventive Officers in the Inland Revenue Department, may be appointed without examination and without reference to the rules for promotion herein prescribed. 52 Vic., c. 12, s. 2.

75. Every person who has heretofore passed a promotion examination under *The Civil Service Act*, and who has not received the promotion for which by such examination he became eligible shall not be required, unless he desires so to do, to pass the promotion examination for the first vacancy that may occur in the class or grade in the department, branch or office of the service next above that in which he was serving at the time of such examination, and in the case of such first (but not in the case of any subsequent) vacancy such person shall without passing the promotion examination therefor be in the like position, and entitled to the like consideration as the persons who may pass the promotion examination for such vacancy.

76. Any officer, clerk or employee who has resigned shall, under the authority of an Order in Council, passed on a report of the Deputy Head, concurred in by the Head of the Department be eligible, without examination to re-enter the Service, at the same salary and in the class in which he was serving at the time of such resignation, provided that a vacancy exists and funds are available for the payment of his salary. R. S. C., c. 17, s. 53, *amended.*

TRANSFERS.

77. An exchange of positions between two officers serving in the like class or grade in different departments, or in different branches of the same department, and the filling of a vacancy in one department by a transfer from another branch of the same department or from another department of a person serving in the same class or grade as that in which the vacancy exists, may on the report of the Deputy Head concurred in by the Head of the department be authorized by the Governor in Council, to be made without examination of either officer; but such exchange or transfer shall be made without increase of salary of either of the persons exchanged or transfered; and no person shall be transferred from the Outside Service to the Inside Service, whose age at the date of his first appointment exceeded *twenty-five* years. R. S. C., c. 17, s. 46, *amended.*

OFFENCES IN RESPECT OF EXAMINATIONS.

78. Every person who, at any examination held under this Act, personates any candidate or employs, induces or allows any person to personate him, is guilty of an offence against this Act, and is liable, on summary conviction, to imprisonment for a term not exceeding six months, or to a fine not exceeding two hundred dollars, and, if he is employed in the Civil Service, to be dismissed therefrom. 51 Vic., c. 12, s. 2, *part.*

79. Every person who surreptitiously procures from any printer or other person, and every person who, without authority, furnishes to any other person any examination question paper or any other paper relating to any such examination as aforesaid, is guilty of an offence against this Act, and liable, on summary conviction, to imprisonment, with or without hard labour, for a term not exceeding six months, or to a fine not exceeding two hundred dollars, and if he is employed in the Civil Service, to be dismissed therefrom; and no such person shall be allowed to present himself at any subsequent examination. 51 Vic., c. 12, s. 2, *part.*

DUTIES AND DISCIPLINE.

80. The Deputy Head of each department shall, subject to the directions of the Head of the department, oversee and direct the officers, clerks and employees in the department, and shall have general control of the business thereof, and shall perform such other duties incident to his office as are assigned to him by the Governor in Council. R. S. C., c. 17, s. 13.

81. In the absence of any Deputy Head, a chief clerk named by the Head of the department shall perform the duties of such Deputy Head, unless the performance of such duties is otherwise provided for by the Governor in Council. R. S. C., c. 17, s. 14, *part.*

82. Every Deputy Head, officer, clerk or employee in the Service may be called upon to perform any duty connected with or incident to the business of the department, or branch thereof, in which he is employed, and to continue his labours beyond the usual or ordinary working hours without any claim to any extra salary or additional remuneration of any kind whatsoever which shall not in any case be paid to any Deputy Head, officer, clerk or employee in the Service, unless a sum has been placed for that purpose in the estimates submitted to and voted by Parliament. 51 Vic., c. 12, s. 12, *amended.*

83. No officer or employee in the service shall ask, or receive, directly or indirectly, any sum of money, commission, compen-

sation, recompense or matter or thing whatsoever, in return for what he does in the discharge of any of the duties of his office, except his salary or what is allowed him by law or by an Order of the Governor in Council. R. S. C., c. 17, Schedule C.

84. No officer or employee in the service shall in breach of his duty disclose or make known any matter or thing that comes to his knowledge by reason of his employment. R. S. C., c. 17, Schedule D.

85. The Head of a department may for misconduct or neglect of duty suspend any officer or employee in his department (other than the Deputy Head) from the performance of his duty or the receipt of his salary, and may remove such suspension.

In the absence of the Head of the Department, such power of suspension or removal may be exercised by the Deputy Head or other person in charge of the department or branch of the Service in which such officer or employee is serving, and such suspension or removal thereof shall be forthwith reported to the Head of the Department.

No person shall, without the express authority of the Governor in Council, receive any salary or pay for the time during which he is under suspension. R. S. C., 17, s. 50, *and* s. 26 (2) *part, redrafted and amended.*

86. The Governor in Council in any case of misconduct or neglect of duty on the part of any officer or employee in the service, that is not deemed sufficiently grave to require a dismissal, may for reasons to be stated in the order reduce the salary or the class or grade, or both, of such officer or employee, and may on amendment of conduct and on the recommendation of the Deputy Head, concurred in by the Head of the Department, restore such salary (but without arrears) or such class or grade. R. S. C., c. 17, s. 26, *enlarged.*

87. No provision herein contained shall impair the power of the Governor in Council to remove or dismiss any Deputy Head, officer, clerk or employee, but no such Deputy Head, officer, clerk or employee whose appointment is of a permanent nature shall be removed from office except by authority of the Governor in Council. R. S. C., c. 17, s. 55.

THE OFFICE OF THE AUDITOR GENERAL.

88. The expression "Deputy Head" or other equivalent expression in this Act includes the Auditor General in all cases in which such meaning is not inconsistent with his powers and duties under *The Consolidated Revenue and Audit Act*, or any Act in amendment thereof. R. S. C., c. 17, s. 2 (6), *part.*

89. There shall be in the office of the Auditor General a chief clerk, who shall at all times act for the Auditor General in his absence. R. S. C., c. 17, s. 14, *part.*

90. The Auditor General may suspend or dismiss any officer clerk or person employed in his office, and he shall in reference to increases of salary and promotions therein have all the powers hereby vested in the Head and Deputy Head of a department, and subject to the provisions of this Act may increase the salary of or promote any officer, clerk or person employed in such office. 54-55 Vic., c. 16, s. 1, *part.*

91. In any case in which it is necessary for the Auditor General to report to the Governor in Council, such report shall be made through the Minister of Finance and Receiver General. R. S. C., c. 17, s. 38, *and* 54-55 Vic., c. 16, s. 1, *part.*

ATTENDANCE BOOKS.

92. There shall be kept in each department, and in the office of the Auditor General, at the seat of Government, and in each office of the Outside Service, a book or books to be called the attendance book, which shall be in such form as is determined by the Governor in Council on the recommendation of the Civil Service Board, in which each officer, clerk and employee of such office or department (other than the Deputy Head and private secretary) shall sign his name, at such times as are determined by the Governor in Council. Every officer, clerk or employee who violates this section shall forfeit a day's pay, which shall be deducted from his salary, and for repeated violations he shall be liable to suspension or dismissal. R. S. C., c. 17, s. 56, *amended.*

LEAVE OF ABSENCE.

93. A leave of absence for purposes of recreation shall be granted to each officer, clerk or employee for such period in each year as the Governor in Council from time to time prescribes, and every such officer, clerk or employee shall take the leave so granted at such time during each year as the Deputy Head of the department determines. R. S. C., c. 17, s. 49 (1).

94. In case of illness or for any other reason which to him seems sufficient, the Governor in Council may grant to any officer, clerk or other employee leave of absence for a period not exceeding twelve months, and upon such terms as to the payment of salary as to the Governor in Council seems just, provided that such officer, clerk or employee shall not be paid more than half pay for any greater period than six months. R. S. C., c. 17, s. 49 (2), *amended.*

95. When the absence of any officer, clerk or employee is not occasioned by his employment on other duties by the Government, by leave of absence, or on account of illness certified by an authorized medical practitioner, his salary for each day of such absence shall be deducted from his monthly salary; and the Head of the department, or Deputy Head, may, if he see fit, require such certificate, in any case, to be obtained from a medical practitioner appointed for that purpose by the Governor in Council, and in such case the charge therefor shall be paid out of the vote for the contingencies of the department. R. S. C., c. 17, s. 51 (3), *amended.*

TEMPORARY CLERKS.

96. When, from a temporary pressure of work or from any other cause, the assistance of temporary clerks becomes necessary, the Head of the department may—if he is satisfied that such necessity exists—on the requisition of the Deputy Head of the department, select from the persons who are elegible for nomination to any office mentioned in section fifty-one such number of temporary clerks as are required. R. S. C., c. 17, s. 47 (1), *amended.*

97. The rate of remuneration to be paid for temporary services shall not exceed the minimum salary of a third class clerk, unless the service to be performed is technical and requires special qualifications; and such temporary employment shall not be considered as giving any claim to permanent appointment. 51 Vic., c. 12, s. 11, *part.*

98. The temporary clerks so employed shall be paid by the day and only out of money voted by Parliament for such service or for payment of the contingencies of the department, branch or office of the Service in which such clerks are employed. R. S. C., c. 17, s. 47 (3), *amended.*

99. No one shall be employed as a temporary clerk for more than one month without the authority of an Order in Council, nor for more than six months in any one year.

INQUIRIES AND REPORTS BY CIVIL SERVICE BOARD.

100. Any inquiry into and report upon the state and management of the business, or any part of the business of any department, branch or office of the Service, or the conduct of any person employed therein, so far as the same relates to his official duties, may be made by the chairman of the Civil Service Board, or under its direction, by any one or more members, or officers of the Board, or by a commissioner or commissioners appointed for that purpose by the Governor in Council. R. S. C., c. 115, s. 1, *adapted.*

101. Such chairman, member or officer of the Board, or commissioner may, for the purposes of the investigation, enter into and remain within any public office or institution,—and shall have access to every part thereof,—and may examine all papers, documents, vouchers, records and books of every kind belonging thereto,—and may summon before him any person and require him to give evidence on oath, orally or in writing, or on solemn affirmation, if he is entitled to affirm in civil matters; and may administer any such oath or affirmation. R. S. C., c. 115, s. 2.

102. Any such chairman, member or officer of the Board, or commissioner may, under his hand, issue a subpœna or other request or summons, requiring and commanding any person therein named to appear at the time and place mentioned therein, and then and there to testify to all matters within his knowledge, relative to the subject matter of such investigation, and to bring with him and produce any document, book, or paper, which he has in his possession or under his control, relative to any such matter as aforesaid; and any such person may be summoned from any part of Canada by virtue of such subpœna, request or summons:

Reasonable travelling expenses shall be paid to any person so summoned at the time of service of the subpœna, request or summons. R. S. C., c. 115, s. 3.

103. If, by reason of the distance at which any person, whose evidence is desired, resides from the place where his attendance is required, or for any other cause, the chairman, member or officer of the Board, or commissioner deems it advisable so to do he may issue a commission or other authority to any officer or person therein named, empowering such officer or person to take such evidence and report the same to him; and such officer or person, being first sworn before some justice of the peace faithfully to execute the duty intrusted to him by such commission, shall, with regard to such evidence, have the same powers as the chairman, member or officer of the Board, or commissioner would have had if such evidence had been taken before him, and may, in like manner, under his hand issue a subpœna or other request or summons for the purpose of compelling the attendance of any person, or the production of any document, book or paper. R. S. C., c. 115, s. 4.

104. Such chairman, member or officer of the Board, or commissioner, and such officer or person shall have the same power to enforce the attendance of witnesses and to compel them to give evidence as is vested in any Court of Record in Civil cases. *See* 52 Vict., c. 33, s. 1.

105. No witness examined before such chairman, or member or officer of the Board or commissioner, officer or person shall

be excused from answering any question put to him on the ground that the answer thereto may criminate or tend to criminate him, but no evidence so taken shall be admissible against any such witness in any criminal proceeding, except in the case of a witness charged with having given false evidence at any such inquiry, or with having procured or attempted, or conspired to procure the giving of such evidence. *See* 52 Vict., c. 33, s. 1.

106. The chairman of the Board, or under its direction, any one or more members or officers of the Board may institute an inquiry into any irregularity or fraudulent practice that is supposed to have obtained at any examination held under this Act, and all the provisions of the five sections next preceding shall apply to any such inquiry. 51 Vict., c. 12, s. 2, (*part re-drafted.*)

If any person is proved by such inquiry to have been concerned in any such fraudulent practice, or to have been guilty of any breach of the regulations made under this Act, his name shall not be placed upon the list of persons who pass the examination, or if it has been placed thereon shall be removed therefrom. 51 Vict., c. 12, s. 2, (*part re-drafted.*)

107. The Board shall from time to time report to the Governor in Council, and among other things, shall call attention to any case in which it is found that—

(*a.*) The staff of any department or branch of the service is greater or less than is necessary for the proper conduct of the business of such department or branch;

(*b.*) Elementary or clerical work is being done by an officer or clerk of high class or salary;

(*c.*) An officer, clerk or employee, who for any reason is not fitted for retention in the service, is employed therein;

(*d.*) Proper books of account are not kept, or that such books are not kept in a proper manner; or

(*e.*) There is any irregularity or abuse, or unnecessary and repeated delays in the transaction of public business.

108. The Board shall from time to time report to the Governor in Council any general or special rules, the making of which would in its opinion be in the public interest, respecting any of the matters following, that is to say:

(*a.*) The hours of office work.

(*b.*) Leave of absence.

(*c.*) Fines for non-attendance, or irregular attendance, or other infractions of established rules.

(*d.*) The adoption as far as practicable of a uniform system of book-keeping.

(*e.*) The organization of the departments.

OATHS OF OFFICE.

109. The Deputy Heads of departments and all officers, clerks and employees of the Civil Service shall take and subscribe the oath of allegiance and also the oath of office contained in schedule C to this Act, or such other oath as is provided by any Act, in that behalf:

The Clerk of the Queen's Privy Council for Canada shall take and subscribe the said oaths before the Governor General or some one appointed by him to administer the same:

In the case of persons residing or coming to reside at the city of Ottawa, the oaths shall be taken and subscribed before the Clerk of the Privy Council:

In other cases the oaths may be taken and subscribed before a justice of the peace or other proper authority, who shall forward the same to the Clerk of the Privy Council:

The Clerk of the Privy Council shall keep a register of all such oaths. R. S. C., c 17, s. 57 *part.*

GENERAL PROVISIONS.

110. The Governor in Council may, from time to time, make general rules and regulations, not inconsistent with the provisions of this Act, respecting the appointment and promotion of the officers in the Civil Service and all other matters incident or pretaining to the Civil Service. R. S. C., c. 17, s. 5.

111. A notice of every appointment, transfer, exchange or promotion in the Civil Service shall be published in the *Canada Gazette.*

112. The Governor in Council shall cause to be laid before Parliament, within fifteen days after the commencement of each session,

(*a.*) A report of the proceedings of the Civil Service Board under this Act during the preceding year, which report shall include a copy of the examination papers, a statement of all examinations held and of the number of candidates at each, and the names of the successful candidates:

(*b.*) Any rules and regulations made during the year under the provisions hereof, and

(*c.*) A return of the names and salaries of all persons appointed to or promoted in the Civil Service during the said year, specifying the office to which each has been appointed or promoted. R. S. C., c 17, s. 58, (*re-drafted.*)

113. The Governor in Council shall cause to be printed each year a list, to be called the Civil Service List of Canada, of all persons employed in the several departments of the Civil

Service, together with those employed in the two Houses of Parliament upon the first day of July next preceding, showing the dates of their several appointments and promotions, their age, rank in the service, and salary; and shall cause the same to be laid before Parliament within the first fifteen days of each session. R. S. C., c. 17, s. 59, (*re-drafted.*)

114. Nothing contained in this Act shall prejudicially affect the salary or emoluments of any Deputy Head, officer, clerk or employee in the Civil Service of Canada, appointed on or before the first day of July, one thousand eight hundred and eighty-two, so long as he is continued in office, nor shall anything herein contained affect any salary or emolument granted and fixed by any Act in force on the day in this section before mentioned. R. S. C., c. 17, s. 54.

115. *The Civil Service Superannuation Act* shall not apply to any person hereafter appointed to the second division of the Inside Service, nor to any person now employed therein, except such messengers, packers and sorters as are at the passing of this Act subject to its provisions.

116. The following Acts and parts of Acts are hereby repealed:

(*a.*) The Revised Statutes of Canada, Chapter 17 (*The Civil Service Act*):

(*b.*) The Revised Statutes of Canada, Chapter 115 (*An Act respecting the making of certain investigations under oath*);

(*c.*) 51 Victoria, Chapter 12 (*An Act to amend "The Civil Service Act," Chapter seventeen of the Revised Statutes of Canada*):

(*d.*) 52 Victoria, Chapter 12 (*An Act further to amend "The Civil Service Act," Chapter seventeen of the Revised Statutes*); and

(*e.*) Sub-sections two and three of section twenty-four of "*The Consolidated Revenue and Audit Act,*" as enacted in the Act 54–55 Victoria, Chapter 16.

SCHEDULE A.

In this Schedule it is proposed to give the number of officers and clerks in each class of each Department at Ottawa as it at present exists.

In the second division in classes (*a*) and (*b*) will be included the number of such ~~of the officers~~ and clerks who have been heretofore employed under the classification of extra or temporary clerks, as it is thought necessary to continue at least for the present.

SCHEDULE B.

The same as at present under "*The Civil Service Act*" and amendments thereto.

SCHEDULE C.

OATH OF OFFICE.

I do solemnly and sincerely promise and swear that I will duly and faithfully and to the best of my skill and knowledge execute the powers and trusts reposed in me as (*as the case may be*). So help me God.

REPORT ON REVENUES AND EXPENDITURES.

To His Excellency the Governor General in Council.

MAY IT PLEASE YOUR EXCELLENCY :—

The Commissioners appointed to enquire into the administration of the Civil Service have the honour to submit a report on that part of the reference submitted to them dealing with the public revenues and expenditures.

Taking into consideration, firstly, the expenditures, it seems scarcely necessary to state that the supervision over the expenditures of public moneys is vested in Parliament and exercised in three ways: *(a.)* by discussion in Committee of Supply on the several estimates and money bills submitted by the Government, and subsequently in the House on the report of the committee; *(b.)* by the report of an officer appointed by Parliament (t' Auditor General) on moneys expended; *(c.)* by the action of a Parliamentary committee (the Public Accounts Committee) to whom the expenditures and reports thereon are subsequently referred.

ESTIMATES.

Following up this system of Parliamentary control, and reviewing the processes stage by stage, it will be found with regard to the estimates, that the manner in which they are submitted is based upon the English model, *i. e.*, that the sum voted in the previous year is placed in juxtaposition with the sum to be voted for the coming year, and that columns are added showing the increase or decrease, as the case may be, for every service, and affording an opportunity for comparison and criticism.

AUDITOR GENERAL AND HIS DUTIES.

With reference to the office of the Auditor General and his duties, it is evident that there is some misunderstanding in the public mind; it has been frequently observed, and in fact it was apparent in the opinions of some of the witnesses, that it was a current belief that the Auditor General could *prevent* expenditure, that he could amend contracts, and that, in fact, his duties were not merely critical and inquisitorial, but largely administrative. A reference to the Audit Act will show that the Auditor General is an officer of verification; he is to see that moneys voted by Parliament and released to the Government, are expended in accordance with the direction of Parliament, but it is no part of his duty, *e. g.*, to criticise the conduct of the Administration in entering into contracts, and even if it could be supposed that expenditures might be improvident and wasteful, if such expenditure be directed by Parliament and made under contract, all that the Auditor General can, and may do, and does do, is to set forth fully and in detail, the items of expenditure in his report to Parliament. He, on the application of an expending department, requests from the Minister of Finance the issue of a credit in favour of such department (sec. 30) and by sec. 44, it is provided that "Every appropriation account shall be examined by the Auditor General on behalf of the House of Commons; and in the examination of such accounts the Auditor General shall ascertain, first, whether the payments made by the accounting department in charge of the grant are supported by the vouchers required by the Act to be furnished as proofs of payment; and, second, whether the money has been applied for the purposes for which such grant was intended to provide." By the 33rd section of the same Act it is directed that no payment shall be authorized by the Auditor General unless upon proof that the price charged is according to contract, or if not covered by contract that it is fair and just. Other sections of the Act refer to the duties which may be imposed upon the Auditor General, as for instance, by the 50th section he is to examine and audit, if required so to do by the Minister of Finance and Receiver

General and in accordance with regulations prescribed for his guidance by the Treasury Board, the accounts of all receipts of revenues, the accounts relating to the issue or redemption of loans, etc., etc., and by 54th section it is stated that whenever the Auditor General is required by the Minister of Finance and Receiver General to examine and audit the accounts of the receipt, expenditure, sale, transfer or delivery of any securities, stamps, etc., he shall transmit a statement thereof or report thereon, to the Minister of Finance and Receiver General. In conducting his examination of accounts the Auditor General has the power, in any case appearing to require investigation, to examine witnesses on oath, call for such proofs, and adopt such other procedure as may be deemed necessary. It is besides enacted that in the event of the Auditor General disagreeing with any department the Treasury Board shall be the judge of the sufficiency of the objection taken by him. And here it may not be out of place to turn aside for a moment, and state that your Commissioners enquired into the irregular payments on which considerable discussion took place before the Public Accounts Committee during the last session of Parliament, and that it was found in each case that the work for which payment was made, had been performed, and the accounts thereof certified to by the officer in charge, that the bill was made out in proper form; that the Act was literally and strictly complied with; and that there was no reason, on the face of the voucher, for the Auditor General to imagine that the person in whose favour the account was made had not received the money thereby authorized to be paid.

PUBLIC ACCOUNTS COMMITTEE.

The third method whereby Parliament exercises control over expenditure is by criticism in the Public Accounts Committee, after the expenditure is made and after the blue-books containing accounts of the expenditures are referred to that body. And here it will be well to allude to the constitution of this committee in England. The Public Accounts Committee of the English Parliament consists of twelve members, who as a rule retain their position from Parliament to Parliament. Frequently, as is the case at the present time, the chairmanship is held by a member of the Opposition. The members who compose the committee are amongst the oldest, most trusted, and of the highest standing of the members of the House. Their functions are to take the report of the Auditor General and the estimates, and go through the expenditure, service by service, in order to ascertain that each item of expenditure has been properly made. They also make suggestions relating to the public accounts and estimates, as for instance, how the accounts should be made up, and how the estimates should be framed; and, generally speaking, they are a body whose records are a mine of wealth to the student of constitutional fiscal history. In Canada the committee selected during the present session of Parliament consists of 55 members.

PUBLIC DEPOSITS.

Having thus entered into the details of the character of Parliamentary control of expenditure, and turning now to the method of dealing with the revenues derived from the various sources to meet the expenditure, it will be found by the 25th section of the Consolidated Revenue and Audit Act that "All public moneys from whatever source of revenue derived, shall be paid over to the credit of the Minister of Finance and Receiver General through such officers, banks or persons, and in such manner as the said Minister, from time to time, directs and appoints." In dealing with this part of the subject, it will be necessary to take note of the manner in which the public revenues are deposited in other countries. In England the Imperial Government keeps accounts with but two banks, the Bank of England and the Bank of Ireland. In every other European country the Government keeps its account with one bank. In India the Government keeps its account with three banks, one in each presidency, viz., the Bank of Bengal, Bank of Madras and the Bank of Bombay. In the Australian colonies the Government accounts are kept by a group of associated banks limited in number. In the United States the Government is its own Treasurer and, except where absolutely necessary, does not keep

a balance with any bank. In Canada, on the other hand, the Government keeps accounts with 33 banks and in the opinion of the Commission no system could be worse devised for carrying on the public business. It may be truly said that no bank is ever satisfied with the balance of Government funds in its hands, each bank is constantly pressing for further amounts, and offers resistance to payments made out of the ordinary run of its business. If it be possible to select a group of banks to conduct the Government banking, your Commissioners think a great deal of money now lying at the credit of the Government in the several banks could be fructified and used for the public advantage.

FISCAL YEAR.

Having thus traced the connection between Parliament and its control over expenditure, and shown how moneys are deposited, the next step your Commissioners propose to take is to point out that in their opinion the date of termination of the fiscal year is extremely inconvenient, and should be changed as quickly as possible.

The fiscal year lasts from the 1st July to 30th June, and it will be noticed that it begins some months after Parliament is usually called together, and consequently all matters relating to the construction and maintenance of public works, and in fact everything relating to outdoor labour, and all estimates therefor, must necessarily be subject to conjecture, when authority is being asked for parliamentary grants. In consequence, too, of the session of Parliament as a rule closing before the fiscal year commences, and the uncertainty as to the probable expenditure on public works and other services, on account of the fiscal year covering portions of two working seasons, it frequently happens, especially when the working season closes early, that the full amount voted for such services is not spent, and to enable the lapsed balances to be used the following season resort has to be had to Parliament at its next session for a revote of the sums so lapsed. As a further consequence of the fiscal year beginning on the 1st July, when Parliament is usually in recess, it follows that in the concluding months of the year expenditures have to be incurred in cases of emergencies, and to obviate this law has provided a safety valve, by allowing the Executive to obtain warrants of His Excellency the Governor General to carry on service or perform work not otherwise provided for. Your Commissioners are aware that there has been considerable discussion in Parliament on the subject of the sums expended in previous years on the authority of these warrants; but without going into the question discussed, your Commissioners find that it is absolutely necessary for some means to be devised whereby unavoidable expenditures should be provided for. In England there are two funds available for such emergencies, viz., the Treasury Chest Fund, limited to £1,300,000, and the Civil Contingencies Fund, of £120,000, out of which advances are made from time to time by Treasury authority, either for new or unforeseen services, or to meet deficiencies on ordinary votes. The sums advanced as supplementary to the ordinary votes are repaid to the fund out of votes taken in the succeeding year, and a special vote is taken for such sum as may be required to repay to the fund the amount expended on those unforeseen services for which no vote could have been taken.

To this subject reference is made in the evidence given by the Auditor General. The practice in Canada it may be here stated is to take an annual vote for unforeseen expenses, the amount of which as a rule is $25,000. From the nomenclature of the vote it will be noticed that it is intended to provide for expenditure entirely unforeseen. But there are many estimates placed before Parliament for services which are foreseen, but on which the extent of the expenditure cannot be gauged beforehand. Your Commissioners are of opinion that to avoid the difficulties of Governor General's warrants being used to any large extent, the vote for unforeseen expenses should be extended, and should be worded to cover both unforeseen and unavoidable expenses, and following the Auditor General's views of the limit to be observed, $100,000 should be granted for this service, being a percentage about equal to that granted to the Imperial Government.

From what has been said above on the difficulty arising out of the present limits of the fiscal year, it will be seen that delay and embarrassment arise from the present arrangement, and in the opinion of your Commissioners it would be advisable, from a

business point of view, to effect an alteration so as to bring the termination of the fiscal year to the 31st of March. This arrangement would, it is believed, give Parliament a better control over the expenditure for the year, and in the nature of things necessitate more prompt attention to public business; it would enable the several reports to be placed in the hands of the members of Parliament at the commencement of the session, if not earlier, and in general would, it is believed, produce a beneficial effect. In support of which it may be stated that the accounts of the Imperial Government for the year ending the 31st March last, were all closed in sufficient time to enable the Chancellor of the Exchequer to review the same in his Budget Speech delivered on the 11th April.

Your Commissioners deem it advisable to refer briefly to the experience of the mother land in regard to this subject. It appears from the earliest records that yearly accounts of the public receipts and expenditure were made up to Michaelmas, and these yearly accounts were continued to be made for the year ending at Michaelmas until 1793. A Committee of the House of Commons was appointed in 1786 to examine the several accounts, and although nothing was done respecting a change in the date of termination of the fiscal year, yet the Committee thought it important that the House should be informed what difference would have arisen in the result if the calculation had been grounded on the receipts of the year ending in January, 1786. For several years two statements of accounts were brought down, one for the year ending 5th January and the other for the year ending at Michaelmas. This appears to have gone on until 1798, when the quarterly accounts, which were made up to that date, were merged into annual accounts to 5th January, the committee of the House having deemed that date the more eligible for the public, and having recommended for the consideration of the House that the accounts be made up annually to that date.

A further alteration was made in 1832, when Lord Althorp brought in his Budget to cover five quarters to the 5th April. At the same time supplies were taken for five quarters up to the 31st March 1833, to which period of the year the annual grants were thenceforward to be calculated. But no similar alteration was then made in the period of the year to which the financial accounts were made up. The result was the existence of three distinct terminations of the financial year, viz., 5th January, 31st March and 5th April. This was not remedied until 1854, when by the provisions of an Act of Parliament all finance accounts were thenceforward made up for the year ending 31st March. It will accordingly be seen that various periods at different times were selected by the English Government as the termination of the fiscal year, but for nearly forty years the 31st March has been found the most convenient, and by all parties has been deemed the best date on which to close the financial year.

It is true in the neighbouring republic the fiscal year terminates on the 30th June. No fixed date, however, was established by law prior to 1842, and it is to be presumed that the estimates and appropriations were theretofore made for the calendar year from 1st January to 31st December.

The first recommendation for the passage of a law fixing the date upon which the fiscal year was to begin, was that of the Secretary of the Treasury in his annual report to Congress of December, 1834, in which he recommended that the year should commence after the last day of March. The Secretary reiterated this in the two reports of 1835 and 1836. Nothing, however, appears to have been done to carry out this recommendation, and Congress gave no attention to the matter until 1842, when Senator Evans introduced the Bill which is now the law. The *Congressional Globe* shows that no extended debate was had upon the measure, and it passed without being referred to a committee, upon the simple statement of the ex-Secretary that the object of the bill was a desirable one, to make the fiscal year correspond with the commercial year. Succeeding Secretaries have endeavoured to have the period of the fiscal year changed, so as to begin at the time recommended in this report for the reasons heretofore set forth, particularly relating to the spending departments.

If, however, it be not desirable in the public interest to make any change in the termination of the fiscal year, your Commissioners have to point out that a

great deal of embarrassment now takes place in the working of the departments, arising out of the following section of the Audit Act, which allows the accounts to be kept open for three months after the expiration of the fiscal year. "The public accounts shall include the period from the thirtieth of June in one year to the thirtieth of June in the next year, which period shall constitute the financial year; * * * and all balances of appropriations which remain unexpended at the end of the financial year shall lapse and be written off: Provided that upon cause being shown to the satisfaction of the Governor in Council, he may, by Order in Council to be made before the first of August of each year, extend the time of finally closing the account of any appropriation, for period of not more than three months from the end of the financial year, after the expiration of which extended time and not before, the balance of such appropriation shall lapse and be written off."

By reason of this extension of time, as a rule no public fiscal business can be closed before the end of September, and if one month is taken to put the accounts in readiness for the Auditor General to commence the publication of his voluminous report, it will be seen that scarcely any work of printing can be commenced by the expending departments or by the Auditor General before the beginning of November. And when it is borne in mind that the report on the Appropriation Accounts is required by the law to be laid before the House of Commons on or before the 31st January, if Parliament is then sitting, and if not sitting, then within one week after Parliament is next assembled, it follows that so long as the Auditor General considers it his duty to bring down the Appropriation Accounts in the present voluminous shape, other public business must suffer of necessity, and if Parliament, as is often the case, meets in January, it is more than likely that the reports of the other departments will be delayed, and the session far advanced before they are placed in the hands of members. Your Commissioners are unanimously of opinion that if it be deemed inadvisable to effect any change in the date for terminating the fiscal year, Parliament should be asked to amend that section of the Audit Act, under which the accounts are kept open for a period of three months after the close of the year, the necessity for the provision having passed away by reason of the fact that all parts of the Dominion are now so closely connected by postal facilities.

GRANTS TO EXPENDING DEPARTMENTS.

Your Commissioners now propose to take up the methods of granting funds to the expending departments to cover the payments for services under their control, but before doing so they have to point out that in England the net revenues alone are deposited to the credit of the Exchequer. The local collectors of revenue under the several Acts are allowed to pay out of their current receipts monthly allotments of pay to seamen's relatives, remittances of wages, military and civil pensions, allowances of all kinds, and various other services. In Canada the only payments made directly out of revenues collected are those effected in that manner in certain portions of the Post Office service. But it does not, however, follow that because the net revenues alone reach the Treasury in England, that the gross revenues are not accounted for, since the annual finance accounts show in the statements of receipts and payments the gross revenues and gross expenditures. After the net revenues are deposited with the Bank of England, the Auditor General allows the Treasury to issue credits to cover expenditure by the expending departments, and as a consequence the audit system is entirely a system of audit after payment.

In Canada a mixed system prevails. Credits are granted to a large extent to the several departments, and in addition thereto, what are called direct payments are made by the Finance Department, on the certificate of the Auditor General upon applications by the several departments. These direct payments are chiefly for work done under contract by large expending departments, for railway subsidies, and services of such a nature, and it does not appear to your Commissioners that any particular advantage arises out of the working of the two systems together. The only possible advantage, if it can be so termed, arising out of the direct method of payments referred to, is that of

provoking and disposing of possible criticism on the part of the Auditor General. Your Commissionners find that in the cases of payments made in this manner, references have subsequently been made to the Treasury Board arising out of the criticism by the Auditor General, and as the same criticism would take place on payments made under credits of the expending departments, your Commissioners think it would doubtless facilitate business if the whole audit system were conducted on a post audit basis.

CERTIFICATES, PURCHASES, ETC.

Before proceeding with the classification in detail of the different departmental expenditures, your Commissioners have to bring under notice the diversity of the form of the certificates granted by paying officers. Of these certificates, the most stringent in form seems to be that for the Civil Government Contingencies, by which the deputy head is called upon to certify that the article mentioned, e.g. a newspaper, has been procured "upon the requisite authority, and that the expenditure was necessary for the public service * * * and that the price charged is in his opinion fair and just." Accounts for other services are certified "correct," "examined," "approved," "recommended," and your Commissioners recommend that one general form of certificate be laid down, to apply to all accounts for public expenditures, and that as far as possible such certificate should be given in the first place by the officer who really receives the goods, or who is responsible for and cognizant of the services performed. Another subject on which much diversity of opinion was expressed before your Commissioners was the letting of contracts to perform work for the Government. Your Commissioners are unanimously in favour of accepting as a rule the lowest tender, other things being equal. But at the same time they are bound to report that the chiefs of the two principal branches of the Public Works Department—the chief engineer and the chief architect—pointed out very grave dangers to be guarded against in following that system. A still further subject your Commissioners deem worthy of note, before treating of the expenditures themselves, is that relating to the purchase of supplies, and the prices paid for articles purchased by the several departments. In his evidence before the Commission, the Auditor General stated most distinctly that when goods were purchased without tender, such as furniture and other supplies for the public buildings, as a rule, retail prices were paid for the same, when wholesale prices should have prevailed. It happens too, that in places where two or three departments are expending money, as for instance in Kingston, where the Militia Department is answerable for the expenditure for the maintenance of the Royal Military College and Barracks of the permanent force, the Department of Justice for the expenditure on account of the Penitentiaries, and the Public Works Department for the care, maintenance and repairs of Custom-houses and other public buildings, different prices are paid for sundry supplies procured for each department. In the matter of coal alone the prices varied to a great extent.

Your Commissioners had under consideration the question of having a director general of stores or a supply agent to purchase supplies for all services, but they have not had the opportunity of developing the subject. They however recommend the matter to the serious consideration of the Government, and they beg further to call attention of the Government in this connection, to the evidence given by Mr. Schreiber respecting the purchase and distribution of coal and other stores for the Intercolonial Railway.

EXTENT OF FIXED CHARGES.

Your Commissioners have now to take up the expenditure proper under the different heads, and of which part is controllable and part is of a fixed and permanent character. For the latter portion of the enquiry they have had the benefit ofthe Auditor General's report for 1890-91, and have derived very great assistance the refrom. Your Commissioners find by the estimates recently submitted to Parliament, that out of an entire estimate of $36,250,000 in round numbers, $17,250,000 are fixed and beyond control, and of this large amount subsidies to Provinces, charges for interest on public debt, including

investments for sinking funds, account for $15,900,000. The remainder is made up of the salary of the Governor General, the salaries of his responsible advisers, the salaries of the judges, indemnities to members of the Senate and House of Commons, fishing bounties, pensions, and payments of like character. When from the balance of the entire estimate of $36,250,000 is taken the charge for the collection of revenue, it will be found that a very small portion of the large annual expenditure made by the Dominion is subject to such supervision as would tend to a decrease. In the opinion of your Commissioners it is worthy of notice, that in the year 1887-88 (of which year the computation was made) the Dominion paid for permanent salaries, extra and occasional assistance, labourers' wages, gratuities, superannuations, pensions and parliamentary indemnities, a sum equal to $9,250,000, and your Commissioners have no reason to believe that a lesser sum was paid for these services in the year 1890-91, of which year the total expenditure aggregated about the same amount.

Your Commissioners now propose to examine into the expenditure by departments in the order of the Public Accounts.

INTEREST ON PUBLIC DEBT.

This is assumed to cost for the year 1892-93, $9,912,000, in round numbers say ten million dollars. As the larger part of this sum consists of interest on loans payable in England, having fixed terms of currency, and a stated rate of interest, no saving or change on the method of supervision can be effected.

PREMIUM, DISCOUNT AND EXCHANGE.

This item represents the premium paid on the amounts invested for sinking funds, for investments made on stocks selling at a premium, for premiums paid for exchange bought above 9½ per cent for remittance to England. It also represents the discounts on 60 days sight bills remitted to meet interest and other requirements payable in London. Your Commissioners find that this expenditure has been well and economically made, and that the purchases of exchange have been made at the lowest current market rates.

SINKING FUNDS.

This service it is estimated will require in 1892-93, $1,965,000, or close on two million dollars. These funds arise from agreements made at the time the respective loans were placed on the London market, under which a certain percentage, in some cases ½ and in other 1 per cent, is laid aside to be invested to meet the redemption of the loans, and this with the re-investments of interest on previous investments compose these funds. Your Commissioners find that for recent loans no sinking fund arrangements have been made. The method previously followed, although no doubt necessary at the time the respective loans were effected, has, it appears, been unfortunate; and notwithstanding the fact that the loans will not expire for many years to come, your Commissioners nevertheless desire to express the opinion that the settled policy of a fixed annual charge for the redemption of debt, such redemption to be made by drawings at par, would be the best method to adopt on the maturity of the present loans.

CHARGES OF MANAGEMENT.

This service includes the cost of the several offices of the Assistant Receivers General, of the country savings banks in the Maritime Provinces, the commission for payments of interest on the public debt, and other incidental charges relating thereto, and also for the printing and expenses of issue of Dominion notes. The whole of this service is estimated to cost $172,000. There appears to be a decrease in this vote, and as still further tending to a reduction in this expenditure your Commissioners would recommend most strongly that the policy adopted by the Government of transferring the management of the several country savings banks in the Maritime Provinces to the Post Office

Department, whenever vacancies occur, should be followed in every instance, and in no case should be departed from. They find, too, that in these Provinces new offices have been opened by the Post Office Department, and it is considered extremely desirable that one system should prevail throughout the whole Dominion. Your Commissioners are of the opinion that the transfers would be productive of efficiency as well as economy in this part of the service.

Before leaving this branch of the expenditure, your Commissioners are pleased to find that a saving will be effected in the charges for printing Dominion notes, arising from the fact, as they are informed, that a new contract has been entered into, whereby the country will save money.

CIVIL GOVERNMENT.

The expenditure for Civil Government is the next in order. But as this has been fully dealt with in another report, in which this service formed the chief topic, your Commissioners have only to note that the main source of the increase in the vote for Civil Government arises from the annual statutory increases of salary authorized by the Civil Service Act, and that there does not appear to be any disposition to increase the staff. In fact in some cases the staff has been reduced. Your Commissioners further notice that it is proposed to decrease the amounts expended for contingencies of the several departments.

ADMINISTRATION OF JUSTICE.

The cost of the administration of justice will apparently amount to $750,000 for the ensuing year. Of this sum $670,000, in round numbers, is required for the salaries and allowances of judges throughout the Dominion. The sum to be voted, $81,000, is chiefly made up of the sum required for miscellaneous expenditure, including North-West Territories, for travelling and circuit allowances, for the salaries and travelling expenses of the official referees, and also for the salaries and disbursement of the staff, excluding the judges, of the Supreme and Exchequer Courts of Canada.

It does not appear that any saving can be made in these services, as they are largely automatic in character, and the expenditures do not apparently require any further supervision than that now given them. It may be stated that the salaries portion of the expenditure is now paid out under the direction of the Finance Department on pay receipts, which, when duly filled up and receipted, the banks are authorized in each case to cash.

DOMINION POLICE.

The management of the Dominion Police, for which service a vote of $22,000 is asked, is exercised by the Department of Justice. The force is not a very large one, and the expenditure, almost wholly made up of the pay and clothing of the force, calls for no remark.

PENITENTIARIES.

With regard to this service, your Commissioners, owing to the fact that the Auditor General for the past few years has not shown in his report the *per capita* cost of maintenance at each of the penitentiaries, are unable to point out whether in any of the penitentiaries there is a want of supervision. They are glad to mention, however that in the case of one of the institutions—the Kingston Penitentiary—where some of the outlays can be compared with similar services in the same place of other departments, the expenditure for the items of a like character is less for the penitentiary than for the other services.

Your Commissioners find that the supplies for the several penitentiaries are purchased locally, and they would suggest for the consideration of the Government whether those supplies that are not of a perishable character, such as, for example, currants,

raisins, coffee, pepper, rice, salt, spice, sugar, tea, etc., might not be purchased for the whole of the penitentiaries at wholesale prices from large wholesale houses, and distributed to the several penitentiaries from one central depot, say at Kingston.

ARTS, AGRICULTURE AND STATISTICS.

For the year 1890-91 the expenditure under this head amounted to $410,000. Of this sum $250,000, spent on account of census, is of a transitory character. The chief portion of the balance is composed of expenditures on account of the central and other experimental farms, and the dairying interests. Before touching in detail upon the several services included under the vote, your Commissioners deem it desirable to point out that apart from the extra services rendered in the department and charged to civil government contingencies, over $8,000 was spent last year for temporary services performed in the department and charged to the votes for care of archives, criminal statistics, health statistics, dairying interests, Jamaica Exhibition, and immigration. The Commissioners find that the pay for these temporary services varies ; that some of the extra officials have in addition to their daily pay, been paid for extra work, and for translating, copying, &c. ; that the temporary staff appears to have been paid for every day in the year, including Sundays and holidays ; and that no rule or regulation appears to exist fixing the rate of remuneration for this extra labour. With these few preliminary observations your Commissioners now propose to take up the several sub-heads of the vote, and they find the cost of the care of archives appears to have been only about $6,000. This amount is a smaller sum than that previously spent, and fair work can be shown for it.

The "Patent Record" cost $11,000 exactly, and your Commissioners understand that the expenditure is about to be reduced. The outlay for the collection of criminal statistics is small, and does not seem to call for any remark, and it is understood that the collection of health statistics, for which over nine thousand dollars was spent last year, is to be dropped, and accordingly this expenditure will disappear.

With regard to experimental farms, your Commissioners notice that at the Central Farm, in addition to the staff there were employed some 30 labourers, who do not appear, however, to have been employed continuously, but from time to time as required.

With regard to the sums expended for census and statistics, your Commissioners are pleased to report that the work under this sub-head, so far as they have enquired into it, has been performed expeditiously and economically. The remaining services included in the main vote, such as Jamaica Exhibition, seed barley, &c., seem to be transitory in character and call for no remark.

IMMIGRATION.

In their other report your Commissioners have recommended that this service should be transferred to the Department of the Interior, and in addition to the reasons which prompted them to make that recommendation, viz , the desirability of bringing the emigrants into touch with the land agents and facilitating their speedy location, it would appear to your Commissioners that a large expenditure now made for salaries and contingencies of immigration agents could be done away with, and as a matter of economy, in addition to improving the efficiency of the service, they consider it advisable that the transfer should be made.

QUARANTINE.

Under this head there was expended in the year 1890-91, the sum of $77,243, and the only points connected with this service that seem to call for remark are whether it is necessary in the public interest to have inspectors at such a large number of ports, and whether effective supervision is exercised over them.

PENSIONS.

The pensions paid in the year 1890-91 amounted to about $103,850, a large part of which consists of judges' pensions regulated by statute. This service only calls for

one remark which is that several militia pensioners are over 100 years of age, and as this seems a fitting subject of enquiry it would be advisable for the department to institute an examination into this portion of the expenditure.

SUPERANNUATION.

This service, involving an expenditure of $240,000 in round numbers, forms the subject of a special memorandum by the Commissioners, and it is not necessary in this connection to offer any criticism on it.

MILITIA AND DEFENCE.

The total cost for services under this head for 1890-91, excluding the cost of departmental staff, amounted to $1,279,000. Your Commissioners propose to take up this service under the respective sub-heads of votes.

Military Staff.—This item includes the pay and allowance of the Adjutant General and the several deputy adjutants general, and your Commissioners do not consider it necessary to make any remark thereon.

Brigade Majors.—In connection with this service, which cost last year $14,200, your Commissioners deem it wise to call the attention of the Government to the evidence on this subject given by the Major General in command of the forces in Canada, who as will be noticed, does not favour the system of brigade majors at all, and in their place he would grant the deputy adjutants general assistance more in the nature of orderly officers from the permanent corps. This he states would be less expensive and more efficient.

Cartridge factory.—The sum of $38,000 was expended last year on this service. Your Commissioners find that in the establishment there are a superintendent and assistant superintendent, two clerks, two foremen, and an assistant foreman; that an allowance is also made to the paymaster of the district, and further that 37 labourers were employed for varying periods last year, and in addition a sum of $8,800 was paid for piece work. Your Commissioners would suggest that the attention of the department be called to the purchase of hardware, with the view of ascertaining whether it would not be desirable to see if such supplies, or other articles involving a considerable outlay, could not be procured with greater advantage to the department by tender on the open market.

Ammunition generally.—Cost in addition over $15,000, the larger part of which is made up of sums expended for powder, for the supply of which no contracts appear to have been entered into. In this connection your Commissioners would call attention to the evidence given by the Deputy Minister of Militia and Defence with regard to the rifle with which the militia of Canada is armed, and while they do not wish to go beyond their province and venture on a question of public policy, yet they desire to give expression to their opinion that it might be ultimately more advantageous to Canada if a portion of the moneys which must necessarily be spent under these heads, in connection with a rifle that "is not fit to go to war with," were devoted to supplying a more serviceable arm.

Military clothing.—For this service the sum of over $73,000 was expended in 1890-91 for various articles such as great-coats, tunics, trousers, etc., for the supply of which annual contracts are entered into. Your Commissioners do not deem it necessary to make any remark on this expenditure; they however would call attention to the evidence given touching the method of dealing with requisitions of various kinds; it seems to your Commissioners that some scheme could be devised whereby the correspondence and duplication of work arising out of the circuitous channel through which these requisitions flow, could be very considerably reduced, and in this they are borne out by the opinion expressed in the evidence given by the Major General.

Military Stores.—In 1890-91 cost over $64,000 made up largely of miscellaneous expenditure in connection with the different district stores, such as repairs to various articles, maintenance of storehouses, rent of buildings, and items of a like character, involving a cost of nearly $10,000. Of the stores themselves the chief items of expense

were blankets, haversacks, tents, mess tins, valise equipment, ordnance, and limbers, including freight charges in Canada, and salaries at the storehouse, Ottawa. With regard to the latter item of salaries your Commissioners beg to call the attention of the Administration to the statement in the Appendix, showing a large increase in the staff of this storehouse during the last few years.

Public Armouries.—The expenditure for this purpose amounting to over $36,000 is made up entirely of wages of employees engaged presumably in the work of caring for the arms and armouries of city battalions of militia, and of other branches of the force, for which armouries are provided in public buildings. For the care of arms of the remainder, and major portion of the service, allowances aggregating over $24,000, were paid in the year 1890-91. For both services—public armouries and care of arms—it will thus be seen that over $60,000 are annually spent in keeping in order the arms of an effective strength of less than 40,000 men. Your Commissioners would suggest that the attention of the department be directed thereto, with the view of making enquiry whether the service to be performed is such as to warrant the expenditure of such a large sum.

Drill Instruction.—Involving an expense of nearly $36,000, for allowance to different services for drill, is fixed by regulation, and calls for no remark.

Annual Drill.—On this account there was expended last year over $272,000, and in connection therewith your Commissioners beg to call the attention of the Government to the evidence given before them by the Major General commanding the forces in Canada, respecting the comparative cost of permanent camps for rural militia and of camps under the present system. Under the present system, it appears, sites for camp purposes are chosen largely for local reasons, and without much consideration as to their suitability for military purposes. Besides involving unnecessary expense the system gives rise to a widespread feeling throughout all ranks that efficient training and comfort of the men are sacrified to considerations that have no connection with the force. Your Commissioners would call attention to the alternative system of a permanent camp ground to each district, recommended by the general officers and deputy adjutants general. In five out of the nine districts suitable sites are available on Government property. The adoption of the permanent sites would save the cost of transport of stores and camp equipment ; the expenditure on the construction of works, such as rifle ranges, stables, sheds for stores, &c., would not be entirely lost for future years as is now the case, and many other advantages such as better hospital accommodation, keener competition for contracts for the supply of rations would accrue, not to mention the removal of that uncertainty which annually prevails as to the location of the camps, an uncertainty that acts prejudicially, it is affirmed, on recruiting. Apart from the advantages arising to the force from such a system, your Commissioners are of opinion that steps should be taken to reduce as much as possible the incidental expenses of the camps, so that the parliamentary grant should be expended on the drill and training of as large a proportion as possible of the whole force.

Contingencies.—Amount to $39,000, and include payments to Rifle Associations, $15,450 ; to efficient bands, $7,825 ; and postage and stationery, $3,395, all of which are governed by regulations. The balance of the expenditure, about $12,000, is made up of costs of salutes and guards of honour, travelling and general expenses.

Drill Sheds and Rifle Ranges.—Under this service your Commissioners would call attention to the statement in the Appendix showing the increase in the expenditure at Ottawa.

Grants to Rifle Associations.—The grants of $10,000 to the Dominion Rifle Association, and $2,000 to the Dominion Artillery Association call for no remark.

Construction and Repairs.—Costing about $80,000, comprise expenditure at Kingston, $12,000 ; at Quebec, $23,000 ; and $44,000 expended at various places throughout the Dominion. A considerable sum appears to have been spent for the wages of carpenters and labourers at the Military College, and for wages at Tête-du-Pont Barracks. In Quebec the details of the labour are not given in the Auditor General's Report.

Royal Military College, Kingston.—This institution cost for the past year $69,248 and your Commissioners, finding from the evidence of the Adjutant General and of the Major General that the number of cadets has materially decreased, would suggest the desirability of an enquiry to ascertain whether it might not be desirable, and in the interest of the country generally, to abolish the extra $100 recently added to the annual fee payable by the cadets, and thereby to throw open the institution to a wider range of students throughout the country to whom its advantages would be more accessible under the original scale of fees. The same professional staff could attend equally well to one hundred as to sixty students, and it would seem to your Commissioners that a larger number of students, and consequently a larger number of graduates, would more fully meet the objects for which the institution was established, and the expenditure would accordingly be rendered more effective.

Permanent Forces.—Including A, B and C Batteries, Schools of Artillery, Cavalry and Infantry Schools. The expenditure for this purpose amounted last year to nearly $460,000, the greater part of which is made up of the pay and allowances of the force. A very considerable portion, however, appears to have been expended on supplies and services of various kinds, and in connection therewith your Commissioners would again call attention to the recommendation already made by them, with regard to the adoption of a system whereby the non-perishable supplies could be purchased in a wholesale way, and at wholesale prices.

With regard to the cost of maintenance of the personnel of the batteries your Commissioners would call the attention of the Administration to the fact, as developed in the evidence of the Major General, that on the pay-list of the various military units were frequently found, in the course of his inspection, the names of civilians and others who had no connection with them whatever. The case of civilian caretakers at Quebec is instanced, whose pay aggregating some $75 per month appeared on the monthly pay-list of B Battery. Your Commissioners would recommend that steps be taken to find out whether this system might not exist in some of the other schools.

MOUNTED POLICE.

The total cost of the North-West Mounted Police for 1890-91 amounted to $740,000, which, assuming that the force consists of 1,000 men, would give an average of $740 as the cost per man, for horse, rations, forage, &c., and your Commissioners find that this average cost has been decreasing year by year, and a further decrease is expected on the average cost for the current year. Probably it might in the near future be materially decreased. The expenditure appears to be directly supervised from Ottawa, where full and accurate records are kept to show the disposal of all stores and stock. Your Commissioners notice that the force is divided into 10 divisions with about 30 subdivisions, each division commanded by a superintendent and two inspectors, and that the men are scattered in small detachments throughout the various districts. Your Commissioners would suggest as a subject of enquiry, whether the system of placing the men in these small detachments could not gradually be done away with, and the force concentrated by degrees, thereby decreasing the number of men, and the expenses of the force generally. At the same time enquiry might be made whether a reserve, similar in system to the Naval Reserve in the mother country, might not be established in the Territories, consisting of paid-off members of the force, who must now amount to a considerable number, to be called out for annual drill and patrol purposes during the year, and to be available for duty when called upon. A further enquiry might also be made as to whether the force could not be reduced by the establishment of Municipalities in the Districts of the Territories, upon which should rest the carrying out of their own police arrangements.

If the idea suggested by the Commissioners for the appointment of a general supply agent for the whole service be not entertained, your Commissioners would suggest that an enquiry be held to see whether such agency could not advantageously be established in connection with the Mounted Police and the Indian services, as they notice that large amounts of the supplies of these two departments are common.

PUBLIC WORKS.

The sums expended under this head and chargeable to Consolidated Fund amounted last year to $1,937,000, whilst on Capital Account there was spent $515,000. Before noticing the different sub-heads of this expenditure, your Commissioners would draw attention to the fact that whilst the cost of the staff of the department charged to Civil Government amounted to $42,872.46, in addition 164 people were more or less employed during the year in the department at Ottawa at a cost of $106,700 charged to 65 different outside votes. The charges included in this large sum of $106,700 vary from the salary of $3,000 paid to the Superintendent of Telegraphs, to the payment of $2.80 for copying 56 folios at 5 cents each. One temporary employee received $1,011, and his special remuneration has been spread over 19 different votes. Passing from this, your Commissioners have now to point out that the repairs and construction of works under this department are virtually divided into two branches, viz.: that under the Chief Architect for the construction of public buildings, furniture, heating, repairs, &c., costing $1,038,000, and that under the Chief Engineer, who administered an expenditure of $562,000 for harbours and rivers. The remainder of the total outlay is spread over various services, including dredging $153,000, slides and booms, roads and bridges, telegraph lines, experimental farms and miscellaneous items.

Public Buildings.—Reverting to the cost of public buildings, your Commissioners find that out of the $1,038,000 before referred to $479,000 were spent on repairs, furniture, heating, &c., the balance of $560,000 having apparently been spent for purposes of construction. Of the sum of $479,000 your Commissioners find that $105,000 were paid to 316 labourers and artizans employed for various periods during the year in and upon the Ottawa buildings. The sums chargeable as repairs to these same buildings aggregate over $137,000, a large portion of which is made up of sums paid for desks, chairs, cabinets, &c., obtained from various dealers at retail rates, and your Commissioners would suggest whether an arrangement could not be effected whereby desks, &c., of some specific patterns could not be supplied by wholesale houses at wholesale rates. With regard to the coal supplied for heating, your Commissioners notice that the price charged for some years past has been very little below the ordinary retail prices, and they further notice that the gas supplied has been charged at the same rates as paid by ordinary consumers, and they suggest for the consideration of the Government whether the system of electric lighting could not be extended throughout the whole buildings with advantage.

In connection with sums spent on construction of public buildings, your Commissioners, in calling attention to the system pursued of erecting buildings for post offices in comparatively small places, would point out that in such cases the cost of the building is not the only expense involved. The ordinary country postmaster under the present system is paid a comparatively small salary, which is generally augmented by the profits of store-keeping or similar means, and the Deputy Postmaster General stated in his evidence in answer to a question, that the department was beginning to suffer inconvenience arising out of the fact that the postmasters, in a number of places where public buildings are situated, have no means of adding to their salaries, as they cannot be allowed to carry on another business in a Government building, and accordingly pressure is brought to bear for increased allowance to enable them to live. In addition to the interest on the cost of the buildings, and the increased rate of remuneration to the postmasters, must also be mentioned the cost of a caretaker and the expense of fuel and light, and at the same time it must be remembered that these additional charges bring no corresponding increases in the revenue collected. Your Commissioners would submit this matter for the consideration of the Government, so that some system may be adopted limiting the erection of such structures to places only where the revenues collected warranted the outlay.

Your Commissioners would further call attention to the large proportion of the sums paid out under the head of Public Works for wages of labourers, and they would recommend that enquiry be made to ascertain whether a reduction could not be effected in this direction.

Harbours and Rivers.—With reference to the expenditure for this purpose your Commissioners call attention to various points brought out in the evidence given by Mr. Coste, Acting Chief Engineer. He stated before your Commissioners that deposits given by contractors for construction of public works should invariably be forfeited in case they fail to fulfil their contracts; that contractors submit tenders without ever having visited the site of the proposed work; that claims have been improperly allowed; that plans and specifications are not made with sufficient care; that there is no occasion for the system of granting extras; that through stress of circumstances engineers have not sufficient time to prepare their plans and specifications; that tenders are very often sent in at a price much less than that estimated by the department, in the hope of obtaining sufficient extras to make the work pay; that inefficient inspectors are appointed to overlook work done by contract; that too much discretionary power is left to the district engineers, and that the offices of district engineers in Ontario and Quebec should be abolished.

RAILWAYS AND CANALS.

In addition to the large capital expenditure for Railways and Canals there was spent $199,000 out of income. In the supervision of the whole expenditure by the department it is to be noted that a large staff has been employed at Ottawa, the cost of which is chargeable to the several works. The salaries and allowances so paid range from $4,500 to one of the Engineers, down to small payments for copying, and as already recommended in the case of the Public Works Department, your Commissioners would recommend that for the payments of services of those so employed a specific vote of Parliament be taken.

Your Commissioners presume that with the deepening of the canals the expenditure on capital account will cease. It is to be noted in looking over the various items of capital expenditure, that in addition to the engineers employed all the year round to supervise the canals, there are employed assistant engineers, surveyors, levellers, rodmen, inspectors, &c., upon various works under contract, but whose salaries are paid by the Government. Your Commissioners notice that in this department the salaries paid seem to be on a higher scale than in any other branch of the public service.

MAIL SUBSIDIES AND STEAMSHIP SUBVENTIONS.

The sum of $321,000 spent on this service is mostly composed of cost of the English Mail service and the West India Steamship service, and as the expenditure is made under contract or by Statute, there is no necessity of your Commissioners expressing any opinion thereon.

OCEAN AND RIVER SERVICE, LIGHTHOUSE AND COAST SERVICE, MARINE HOSPITALS AND STEAMBOAT INSPECTION.

All under the control of the Minister of Marine and Fisheries, and involving an expenditure of $749,000. Your Commissioners, in looking over the outlays for some years back, are pleased to mention that they find a large measure of effectiveness has been introduced into these services, and expenditures that have been found of little advantage to the department have been dropped. All the surpervision for the whole outlay is exercised at Ottawa. In connection with the expenditure for the Dominion steamers, your Commissioners would again suggest whether one uniform rate of purchase could be made for supplies of an imperishable nature, such as coal, oil, tea, coffee, flour, paint, &c., following the idea of wholesale purchases previously noticed.

INSURANCE INSPECTION.

This is a very small outlay—some $7,600—and is entirely paid by assessments on the Insurance Companies. The expenditure has been decreased of late years, without impairing in any way the efficiency of the service, but no doubt, with the growth of the insurance business of the Dominion, it will presently have to be increased.

GEOLOGICAL SURVEY.

Under this head, your Commissioners notice that payments contracted for in one year are often held over to be paid out of the vote for the next year. This is one of the services that suffer greatly by reason of the fiscal year beginning on the 1st July, and it was elicited in the evidence given before the Commissioners that parties had often to be kept waiting in Ottawa before being sent out on surveys, on account of funds not being available to pay necessary expenses, and as a consequence two or three months of the short working season have sometimes been lost to the survey.

SCIENTIFIC INSTITUTIONS.

The outlay for these institutions covers the cost of Meteorological service, including expenses for telegraphing weather warnings, for instruments, &c., and expenditure on account of the observatories. The amount spent last year exceeded $60,000. The service is under the control of the Minister of Marine and Fisheries, and is well supervised.

SUBSIDIES TO PROVINCES.

These subsidies, amounting to $3,903,000, are fixed by Parliament, and no remarks need be made thereon.

INDIANS.

During last year the expenditure on account of Indians reached $987,000, of which the greater part was spent in Manitoba and the North-West Territories.

In the evidence given by Mr. Vankoughnet before the Commission, on the subject of the Indian office at Regina, he states that its establishment arose from remoteness of the agencies from headquarters and from the absence of railway facilities, but in view of the changed circumstances, it is a fair question to consider whether the office might not now be abolished and the work done in a more direct manner. From the evidence, the present system appears to lead to delay and to a certain extent confusion, as frequently matters might be decided by the officials at Regina in a manner which the department at Ottawa would not approve, and inasmuch as the charges for general expenses in Manitoba and the North-West Territories amount to $155,000, chiefly for salaries and clerical assistance, your Commissioners think it would be well to overhaul this branch of the expenditure, with the view of a reduction if possible.

Your Commissioners observe that a very large amount is annually spent for the maintenance of destitute Indians. With regard to Indian farms, upon which a considerable sum has been spent, it is to be sincerely hoped that sufficient supplies will eventually be raised for the destitute Indians, so that the expenditure on this head might be largely decreased.

Your Commissioners notice also the large outlay that is incurred in Manitoba and the North-West Territories for travelling expenses, and they would call the attention of the Government to that part of Mr. Vankoughnet's evidence relating to the travelling expenses of Indian agents.

With regard to the annuities in Manitoba and the North-West Territories of course no decrease can be effected, and from the evidence given it would appear that great care has been taken to pay the proper annuitants.

GOVERNMENT OF THE NORTH-WEST TERRITORIES.

Part of this expenditure is under statutory authority, and part under vote of Parliament. The travelling allowances and indemnities of the North-West Council are covered by statute. The chief items of expenditure under vote of Parliament appear to be the maintenance of schools, &c., of roads bridges and ferries, and as the country becomes settled, your Commissioners presume this expenditure will be thrown upon the local authorities.

MISCELLANEOUS.

The vote for miscellaneous comprises many items, amounting to over $181,000, the chief of which are the printing of reports supplied to departments, $22,000; National Park at Banff, $17,000; litigated matters, $22,000; plant of Printing Bureau, $30,000; Georgian Bay survey, $17,000, and unforeseen expenses, $24,000.

COLLECTION OF REVENUES.

Customs.

The first expenditure under this head is for Customs, which amounted last year to $900,491, or not quite a charge of 4 p. c. on the total revenue collected. This service has been admirably performed, and all the expenditure seems to have been properly supervised.

Your Commissioners observe that the same rule is not followed in the Departments of Customs and Inland Revenue in respect to allowing officers of the inside service to share in the proceeds of penalties and forfeitures. In the Customs Department such officers are allowed to participate therein. In the Inland Revenue Department they are not. The latter your Commissioners believe to be the better and safer practice. It is desirable that no person who has any duty cast upon him in connection with reporting upon any such matter, and no one who from his office or position in the department may even be suspected by the public to be able in any way to affect or influence such report, should share in the distribution of any such funds.

Excise.

The expenditure for Excise, $378,236, constitutes a charge of between 5 and 6 per cent upon the revenues collected. Your Commissioners notice that the Excise officers are given annual increases of salary, although with the Customs officers it is not so. It may be considered out of the province of your Commissioners, but it appears to them that this system leads to a steady increase of the expenditure, and as the growing temperate habits of the people will have a tendency to keep the revenue stationary, if not to decrease it somewhat in the future, care should be taken to guard against any increase more than is absolutely necessary.

Weights, Measures and Gas.

This involves an outlay of $92,000, against a revenue of about $41,000, and, in the opinion of your Commissioners, the outlay seems to be one that would properly bear enquiry with a view to its reduction, and its equalization with the revenue received.

Culling Timber.

The expenditure for culling timber last year amounted to $28,600 against a revenue of $16,700, and your Commissioners would draw the attention of the Government to the evidence of the Commissioner of Inland Revenue respecting this service, which appears to be of an exceptional character.

Post Office.

The expenditure for post office service last year amounted to $3,161,000, a deficiency of $646,000 compared with the revenue derived. Your Commissioners are aware that in a new country like Canada, with large stretches of open country like the North-West Territories, the outlay for post office service must be greater in proportion than in older and more settled places, and instead of a profit it is probably to be expected that a loss will arise therefrom. Your Commissioners, however, are of opinion that possibly this post office expenditure might be decreased. For instance the ordinary land conveyances, that is to say, the stages, cost the country last year $769,000, and with regard to this your Commissioners would recommend that each inspector be summoned to Ottawa, and that the maps of the counties be taken up one after another to see whether the

expenditure under this head might not in the public interest be reduced, by the establishment of the shortest stage routes possible. Your Commissioners would also suggest an enquiry into the rates paid to the Railway Companies for transport of mails, the cost for which during the last year was $1,041,000.

Your Commissioners notice that in the Post Office Inspector's Offices and City Post Offices, the salaries amounted to $1,056,000 last year, and at this point they would call attention to the fact that in looking over the method of payment in other countries as compared with Canada, they find that the tendency in this country is to pay every public employee a yearly salary. In England it will be found that postmen for instance are paid weekly wages; receive good conduct stripes when merited; are granted increases of pay for special aptitude or carefulness in the delivery of letters or the return of a small percentage of letters undelivered. In Canada on the other hand there is apparently no inducement to render letter carriers more zealous in the execution of their duty. Having fixed annual salaries, and receiving annual statutory increases, it would appear to your Commissioners as if the tendency would be for these employees to carry on their work in their own manner, and with the considerable danger of falling into a perfunctory way of performing it.

Your Commissioners find that the railway mail clerks are under the control of the Post Office Inspectors, that is to say, they report to these officers. Whether it would be an improvement, as is the practice in other countries, for these mail clerks to report to the City Postmasters, and so be shifted about from service to service as opportunity offers without having anything to do with inspectors, seems to be a matter into which it might be desirable to enquire.

In his evidence before your Commissioners the Deputy Postmaster General made the suggestion that in order to keep the inspectors continually on the road, they should be paid lesser salaries and greater allowances, following the method adopted in the mother land. As it is, it appears there is no inducement for inspectors to be continually on the road, and on the alert to detect any abuse or irregularity. Your Commissioners are further of opinion that the demands made from time to time for the creation of City Post Offices, and doing away with the allowances to Postmasters, should be seriously considered as they arise. The effect of the creation of a City Post Office is for the postmaster, his clerks, and assistants, to be paid fixed salaries with annual increases, and continuous pressure is brought to bear on the Administration for additions. No doubt it is desirable in some instances to create City Post Offices, but the saving arising therefrom is very often specious. It does not happen for instance that because a country post office apparently returns a nominal profit to the postmaster of $4,000, that the sum represents the emolument accruing to him. Out of that amount he has to pay the wages of his assistants and other expenses of the office. If such an office were made a City Post Office the postmaster, it is true, would receive say $2,000, but there would immediately, as before stated, be a number of clerkships created so that in reality a larger expense would be probably incurred.

Your Commissioners notice that the bulk of the expenditure is payable quarterly by the Post Office Department. The system thus followed produces a congestion of work in the Accounts Branch of the department requiring the drawing of over 6,000 cheques at the expiration of each quarter, and tends to bring about an unequal expenditure of public moneys that proves highly inconvenient in the management of the finances of the country. Probably this system is an outcome of past methods of doing business, and your Commissioners would recommend that the work be so arranged that instead of the expenditure being disbursed quarterly, it be equalized and paid monthly, as is done by almost all the other departments.

Public Works.

For this service $196,580 was spent last year for maintenance and repairs of slides and booms, graving docks, and telegraph lines. The expenditure, of which the greater part, $46,000, was made on the Ottawa district, cannot, it appears, be reduced very materially.

Railways and Canals.

The expenditure for this purpose is chiefly made up of working expenses of the Intercolonial Railway, Prince Edward Island Railway, and Windsor Branch Railway, for which $3,949,000 was spent out of a total expenditure of $4,505,000. The balance was expended on the Canals. The deficit in the running expenses of the Intercolonial Railway last year reached $684,000, an increase of $131,000 over that of the previous year. To briefly notice a point brought out in the evidence of Mr. Schreiber, it appears that there are a large number of men whose services could be dispensed with; that the general expenditure is susceptible of a considerable reduction; that political influence is exercised in the nomination of the employees; that in the hands of a company the road could be made to pay expenses; that the trains stop at too many stations; that the traffic and receipts could be increased; that although the internal economy is much the same as that of other roads, yet it costs a great deal more; that the local revenue could be increased by bringing it up to the rates levied by other lines. The management also suffers from a difficulty, not experienced to so great an extent by companies, of not being able promptly to discharge inefficient or suspected servants.

With regard to the expenditure on the Canals, which is made up of the salaries of the lockmasters, lockmen, labourers, superintendents, &c., and of the outlay for maintenance and repairs, it might be desirable that an enquiry should be instituted to find out whether it might not be curtailed to some extent.

Minor Revenues.

The expenditure under this head amounted to $3,800, and calls for no remark.

Dominion Lands.

For Dominion lands the outlay last year amounted to $158,000. This expenditure has been reduced through the reduction of the staff of extra clerks employed at Ottawa, a process which your Commissioners are glad to find is going on steadily.

Your Commissioners would bring to the notice of the Government the expenditure in connection with the land office at Winnipeg. This also, like the Indian office at Regina, to which attention has already been drawn, was organized before the completion of the Canadian Pacific Railway, when postal facilities were very limited. The reason for its establishment was that in cases of necessity prompt action could be taken on the spot to avoid the delay of reference to headquarters.

It is probable that to some extent the reasons for the creation of this office have passed away, and it might be desirable to enquire whether the staff could not be reduced or the office abolished.

Liquor License.

The sum of $1,230 was expended under this head and no remark need be made thereon.

CONCLUSIONS.

In concluding their criticism of the public expenditures, your Commissioners beg to mention one of the most striking features of the whole subject, and that is the large number of officials employed by the Government, apparently out of proportion to the resources and population of the Dominion. This number is constantly on the increase, and the increase of course is largely in the newly developed territories. Your Commissioners view with pleasure the contemplated transfer of the immigration service to the control of the Department of the Interior, whereby no doubt a great reduction of expenditure will be effected. Your Commissioners would suggest that instead of each department appointing its own officers in the districts of country newly opened up, one official, say the postmaster, should be authorized to transact any land, immigration, Indian, or other business required to be transacted by any of the departments, until the country is well developed and the necessity for creating separate agencies becomes

apparent, and your Commissioners would suggest that enquiry be made into the separate staffs now in existence employed by the different departments, in order to ascertain whether an arrangement such as above suggested might not be advantageously adopted. Another subject your Commissioners think worthy of enquiry is how far, in what manner, and to what extent, stock books of all stores are kept by the different departments, and in connection therewith they would recommend that a clause be added to the Audit Act making it obligatory on the Auditor General to audit all stores. A doubt has existed for some time on this point, and your Commissioners understand that by a recent decision of the Department of Justice, no authority is granted the Auditor General under the provisions of the Audit Act to enable that officer to audit this class of accounts.

Your Commissioners recommend that the Treasury Board should have as far as possible the supervision of all expenditures, and that as a general rule all contracts before being entered into should be submitted for the approval of the Treasury Board.

REVENUES.

Customs.

Turning now to the subject of the revenue your Commissioners find from the evidence of the Auditor General and of the late Commissioner of Customs, that the revenue derivable from Customs is, with the exception of a very small portion, collected; and this small portion arises from petty smuggling across the frontier.

Excise.

The collection of the Excise Revenue seems to be well supervised.

Post Office.

From this source over $2,500,000 was received last year. It may be deserving of enquiry to ascertain whether some system should not be instituted with regard to the establishment of new Post Offices. It may possibly happen that in some cases Post Offices are created unnecessarily in places where the revenue received is not at all commensurate with the liabilities incurred.

Uncollected balances.

At this point your Commissioners deem it desirable to notice the suggestion contained in the report of the Auditor General, that a sub-committee of the Public Accounts Committee be constituted to examine the balances of revenue outstanding due to the Government, in order to determine those which it is expedient to endeavour to collect, and to recommend to Parliament to wipe off the remainder. Your Commissioners would emphasize this suggestion and would respectfully recommend that steps be taken at the earliest opportunity to give effect to it.

Patent fees.

The fees collected for patents last year aggregated $90,000, and your Commissioners would suggest that it might be a proper subject of enquiry, whether the scale of fees exacted might not be re-arranged and the revenue therefrom largely increased.

Generally.

Your Commissioners have to report that, generally speaking, the revenues that are collected, are collected in full, but that from certain sources in connection with fines and forfeitures probably there is not as much revenue collected as should be the case, and they take the opportunity of pointing out that under various Acts certain fines and penalties for the violation and infringement of the law are directed to be paid to the Receiver General. Your Commissioners are given to understand that a codification of the laws relating to public moneys has been made by the Finance Department, and they

would recommend that enquiry be made to ascertain fully what revenues of this kind have not so far been collected, or have gone elsewhere, and that steps be taken to ensure their collection for the future.

Your Commissioners would recommend that early consideration be given by the Treasury Board to the letter addressed to that body by the Auditor General, of which a copy appears in his report, with reference to the forms he requires and the methods to be pursued in regard to the audit of revenues.

In the course of the evidence given before the Commission it was brought out that frequently on points connected with the expenditure and revenue, the Auditor General and the several departments do not agree, and your Commissioners would suggest that before the Auditor General refers these matters with his views thereon to the Treasury Board for consideration, it might be desirable if in each case he would confer with the department concerned to see how far his views could be adopted and his suggestions carried out. In case no agreement could be arrived at in this way, the arguments for and against the suggestions should be fully submitted with the reference to the Treasury Board, so that the members of the Board might be in a position to give the various matters full consideration, and in this connection your Commissioners desire to say that as a rule every facility should be given to the Auditor General to enable him to audit the various revenues, and if in any case there is any doubt or uncertainty respecting his powers to do so, your Commissioners are of opinion that full statutory authority should be given him to carry on what may fairly be called the entire work of audit. Your Commissioners are of opinion that these powers are as desirable and necessary in the case of the audit of revenue as of that of expenditure, since the audit in the former case can only be of the nature of a test audit.

All of which is respectfully submitted,

GEO. HAGUE,
GEO. W. BURBIDGE,
E. J. BARBEAU,
J. M. COURTNEY.

J. H. FLOCK, *Secretary*,
Ottawa, 21st April, 1892.

MEMORANDUM ON SUPERANNUATION.

To His Excellency the Governor General in Council.

MAY IT PLEASE YOUR EXCELLENCY :—

The Commissioners appointed to enquire into the administration of the Civil Service of Canada, have now the honour to present the following memorandum respecting Superannuation. They regret that, owing to the many interruptions and unavoidable loss of time through sickness, in a very trying winter, they have not been able to devote to this important matter the time and attention it deserves. They wish, therefore, that the following shall be taken rather as a preliminary memorandum than as embodying matured conclusions on the subject. The Board of Civil Service Commissioners may well be entrusted with the task of framing conclusions on the subject, which may safely be acted upon.

1. At the outset, the question arises whether it is expedient for the Dominion to provide superannuation allowances at all for its public servants; for it has been urged in the House of Commons and in other places that the duty of the State should be to pay adequate salaries, and leave to its servants themselves the duty of making proper provision for their own future wants as well as those of their families.

Your Commissioners, on due enquiry into the whole subject, are of opinion that it is eminently desirable, and in the interests of the public, that a superannuation system should form part of the scheme of carrying on the public service, and that such a system if properly administered directly leads to both efficiency and economy in administration.

2. It has been well said in the report of the English Commission of 1857, that "It may be true that it is strictly the duty of the heads of the departments to remove "from the service all public officers who have become, from any cause, incompetent fully "to discharge their duties, without regard to their feelings or future position; but "experience has shown that this is a duty, the performance of which it is most difficult, "if not impossible to enforce, and as it is impracticable, by any regulations, to define "beforehand at what stage of declining health or increasing bodily or mental infirmity, "incompetence begins, the result is that, in the absence of superannuation, *inefficient* "*persons are retained in the public service.*

"The injury caused to the service by the retention of inefficient officers might, no "doubt, be in part corrected by increasing the numbers of the establishment beyond "what would have been required had all the servants been effective; but it would be "impossible to justify such an arrangement, and under such circumstances the public "service *would be a loser for want of superannuation allowances probably in actual* "*money, and at all events, in the less direct results.* The evil consequences of retaining "a single civil servant in an important post for which he has become incompetent, cannot "be estimated in money, and may be much more than an equivalent for the expense of "the superannuation of a whole department. For these reasons, we are unhesitatingly "of opinion that the public interest will be best consulted by maintaining a system of "superannuation allowances."

3. From the opinion quoted it will be seen that efficiency is secured by the adoption of an advantageous system, whereby the State can remove from office the aged and inefficient, the retention of whom in the service at, doubtless, high salaries would lead to such an enhanced expenditure, that economy in actual money, to say nothing of the less direct results, would not be effected.

It may be further pointed out in this regard that the last report of the present Royal Commission on the English Civil Service states: "If it be objected that pensions "have some tendency to prevent the discharge of unfit men until such time as the pension "becomes claimable, we would point out that pensions help to retain in the service men "who might otherwise be tempted elsewhere; and as we believe that to a constantly "increasing extent the service is manned with good material, we think this recom-"mendation of the system may be set against the objection."

On the whole, therefore, your Commissioners are unanimously of opinion that both in point of efficiency and economy, and to retain good men in the public service, a superannuation system is absolutely necessary.

4. It may be further pointed out that it is a growing practice with railway companies, banks and other large corporations, to undertake the establishment of superannuation schemes, and in the Bank Act of 1890, a provision authorizing arrangements that had hitherto been tentative and authorized under special Acts to a few institutions, was incorporated to enable directors of banks to establish guarantee and pension funds for the officers and employees and their families.

5. Glancing briefly at the history of superannuation in the mother land, it will be noticed by those who have considered the subject, that after various stages of legislation as a result of which abatements were deducted, refunded and deducted again, about 40 years ago Parliament decided that superannuation was in the interest of the State, and that abatements should not any further be deducted from the salaries of public servants. Latterly there appears to have been a universal change in this belief, and the English Civil Service Commission in their last report recommended that "With the view of "levying some direct contribution from the civil servant towards his pension, and of "providing at the same time a sum of money which in the event of a man's death or "retirement without pension, should be available for his representatives or for himself, "a compulsory reduction should be made from all future salaries."

6. With these general remarks by way of introduction and coming to the history of superannuation in this country, your Commissioners find that since the establishment of superannuation in 1870, there has been somewhat of a change in the verbiage of the several Acts.

At the time the Act was placed on the Statute Book in 1870, it was evidently the idea of Parliament that superannuation was entirely in the interest of the State, as will be witnessed from the preamble: "Whereas for better ensuring efficiency and economy "in the Civil Service of Canada, it is expedient to provide for the retirement therefrom, "on equitable terms, of persons who from age or infirmity cannot properly perform the "duties assigned to them."

When the Superannuation Acts were consolidated and amended by 46 Vict., chap. 8, the preamble above cited was omitted, and a clause was introduced for the first time enacting that the superannuation of a civil servant should be preceded by an enquiry of the Treasury Board as to whether the person recommended for superannuation is eligible under the Act, whether his retirement would result in benefit to the service, and therefore be in the interest of the public, or whether it is rendered necessary in consequence of mental or physical infirmity, and therefore to some extent in the interest of the employee. It therefore appears that both in England and in Canada, the idea that superannuation is regarded as entirely in the interest of the State has disappeared, and to some extent it is recognized and acted upon that the system is also for the benefit of the public servants themselves, and to that extent that public servants should pay some contribution towards the expenditure for pensions.

7. This abatement, which has always been exacted under the Canadian Act, has led to serious misunderstanding, and from a kind of tradition in the minds of public servants it is often considered that a special fund is being created by these abatements from which the expenses of administering the system have been levied; and over and over again, in the evidence given before the Commissioners, allusion is made to the hardship arising in the case of men who die in harness leaving their families unprovided for, although they may have contributed largely towards the supposed fund.

8. Your Commissioners beg to append herewith a statement of last year's expenditure, showing ages of retired officials and amounts paid, and it will be seen from the table that the great majority of cases of superannuation has been of persons of a proper age.

Whilst the abatement deducted from salaries for superannuation purposes amounted last year to $62,824.60, the expenditure amounted to $241,110.49, or nearly four times

as much, and it has frequently been urged as one of the arguments against superannuation that this great discrepancy has been caused by placing persons on the list who should not have been retired.

Your Commissioners are of opinion that much misapprehension exists in the public mind in connection with this expenditure, especially as regards those officers who have been retired on account of abolition of office, or to promote efficiency and economy. It will be found in many cases of persons so retired that the superannuation was entirely for the benefit of the State, and resulted in direct economy, although the allowance paid is charged to superannuation, and swells the expenditure under that head to that extent. Taking, for instance, the retirement of the financial inspector attached to the Finance Department, whose place has not been filled, whose retirement involved no promotion, and whose work has been distributed amongst other public servants, his active salary was $2,600, voted under the head of Charges of Management; his retiring allowance is $1,820, charged to superannuation, and the difference of $780 is an absolute gain. The $1,820 goes to swell the superannuation expenditure, but the yearly saving under the vote for Charges of Management does not stand out so prominently.

9. Your Commissioners are of opinion that some statement should be prepared, either by the Audit Office or the Finance Department, to show absolutely what measures of economy have been effected in this manner, in order that the criticism on this point might be met, and the misapprehension removed.

Your Commissioners might state, that in the Finance Department the staff has been reduced from forty-four to thirty-four by the decease of some officers, and by the placing of others on the retired list, without filling the vacancies thus created, at the same time maintaining the staff in an effective condition. In other branches of the public service action of this character has also taken place, and your Commissioners consider that all the circumstances of this nature should be taken into account in estimating the working of the superannuation system.

10. If it is considered desirable to retain the system of superannuation the question naturally arises, what would be the fair percentage of abatement to take from the salaries of public servants, and your Commissioners are of opinion that the present rates of abatement are sufficient. It will be found by the evidence of Mr. Fitzgerald, that in the case of an ordinary appointment a person entering at the age of twenty as a 3rd class clerk, and retiring at sixty-five as chief clerk, to procure an annuity of seven-tenths of his salary at retirement, would require to pay an abatement of $4.27 per cent per annum, and when it is taken into account that numbers of people die in the public service without being superannuated, your Commissioners are of opinion that the rates now levied are sufficient, being, as they consider, sufficient if the Act be properly administered to pay in round numbers one-half the charge for the service. They have, however, to point out that there are serious drawbacks to the proper working of the Superannuation Act. In the first place, as has been mentioned in a previous report, your Commissioners notice that the tendency in Canada is for every class of public servants to become salaried, instead of being, as in other countries in many classes, merely wage-earning, and as by the terms of the Superannuation Act its provisions are made applicable to every person to whom the Civil Service Act applies, many persons are now under the provisions of the Superannuation Act who really should be only wage-earning employees. In order to obviate this feature, your Commissioners are of opinion that the Act should only apply to those public servants who are employed in an established capacity, and they would recommend the amendment of the Act, by giving the Governor General in Council power to determine the persons and classes of persons employed under the Civil Service Act to whom the Superannuation Act should be applied.

11. In the second place, the Commissioners are of opinion that some modification might take place in the power of granting a gratuity to any person who has served ten years or under, and they would recommend that the Governor in Council might instead have power to grant a gratuity to persons who have served fifteen years or less, as cases have occurred where fixed annuities have been granted to officers who retired after a service

of ten years only, and in some cases indeed additional terms of service have been granted to those who have served less than ten years, sufficient to enable them to draw an annual pension, instead of merely a retiring gratuity.

12. Your Commissioners consider that in order to ensure the proper working of any superannuation scheme, it is absolutely necessary that every care and precaution should be taken that those who enter the service are in good health and free from physical defect and disease.

13. Your Commissioners observe, with regard to the clause enabling a higher pension to be given to those who are possessed of special professional or technical qualifications, by adding a number of years to the actual term of service, that the report of the recent English Commission dealing with the same subject recommends its abolition. Whilst this might be a correct idea in the mother land, where there is keen competition for all classes of appointments, and where it is not difficult to induce the higher talent to enter the public service, yet in a new country like Canada, where nearly every one is engaged in business of some kind or other, it would be a necessity, in the opinion of the Commissioners, that the power to add some additional term of service should be retained as an inducement to men of knowledge and experience to enter the public service. For instance, your Commissioners would hardly believe that an officer like the Queen's Printer would enter the public service unless he were certain that some additional term would be granted him on retirement.

Your Commissioners would recommend that a schedule should be attached to the Superannuation Act, enumerating all the classes of officers to the incumbents of which on retirement additional service should be granted, so that an officer who had entered the service in later life for special purposes, and who had served the country with ability and fidelity, and whose health, by reason of close application to duty, had broken down, might not be in the unenviable position of being uncertain at the last of having the extra term granted him for which the Superannuation Act provides.

14. Your Commissioners have to point out in this connection, that no system of superannuation can be economical wherein officers can be placed on the retired list in order that political appointments may be made to the vacancies so created. On looking over the list of collectors of customs, postmasters, and such like officers, who have been placed on the retired list in order to make way for appointments urged by political pressure, your Commissioners are decidedly of opinion that in every instance the public service should be administered for the benefit of the State alone; that appointments of the nature and from the causes referred to should in no cases be made; and that the higher posts in the public service, except in few and indispensable cases, should be open as a rule to every member thereof.

15. Your Commissioners would call attention to the fact that the retiring allowances are based on the average salary enjoyed by the respective officers for the three years preceding retirement, and they consider that it is within the bounds of possibility that an officer may have his salary increased, so that he may be enabled to retire in the course of time, with an allowance almost equal to his ordinary salary. There is no doubt whatever that when the late Chief Engineer of Canals had his salary raised from $4,000 to $6,000 per annum it was the intention to place him on the retired list at the expiry of three years, with an allowance of $4.200, thereby giving him not only the increased salary for three years, but on retirement a pension equivalent to his original salary. Your Commissioners are of opinion that the number of years of which the average salary is taken should be extended to prevent the occurrence of instances of this nature, but they consider that the fixing of a definite term should be left for the consideration of the Government.

16. Another result of the political appointments alluded to above is the placing of public employees on the retired list, whose age on their entrance to the service was not subject to any limit; and whilst it will be observed on looking at the list of retired employees that few complaints can be found with regard to the inside service on this score, the result has been arrived at from the fact that an age limit is fixed by statute for the inside service while for the outside service no limit at all is, as a rule, fixed.

Whilst the average age for entrance into the service for all the officials in the inside service as taken from the Civil Service List is 27, as will be seen by the evidence of Mr. Fitzgerald, the average is certainly much higher for the outside service.

17. Your Commissioners, in the evidence submitted to them, have only found that in two or three cases there has been any diminution of the superannuation allowance where the service has been unsatisfactory. They wish to call the attention of the Administration to this clause of the Act, so that it might be more fully understood and acted upon in future.

18. By the terms of the Act it will be observed that on the completion of 35 years' service by any officer, the abatement for superannuation purposes ceases to be deducted from his salary, and as a consequence in the earlier years of the operation of the Act, and in a lessening extent to the present time, the older and higher-paid officials were granted annual allowances, although they may not have contributed any abatement at all, or for a very few years only. Your Commissioners do not see any reason why this limitation should have been made, and they recommend that for the future it should entirely cease, as not only does it affect detrimentally the expenditure, by adding to the burden without any consideration being given therefor, but it also materially reduces the revenue, inasmuch as the abatements cease after the service of 35 years, and as a consequence these old servants, who are generally the highest paid officials, contribute nothing, and will in all probability be the earliest to realize the benefits of the system.

19. Your Commissioners notice that provision is made by the Act for the retirement of officials who are removed from office on account of the abolition thereof for the purposes of improving the organization of the department, or to promote efficiency and economy in the Civil Service, with such gratuity or pension as will fairly compensate them for loss of office. This of course is a necessary provision of any superannuation scheme; but in the event of a former proposal of your Commissioners being adopted, giving to the Civil Service Commission power to enquire into matters relating to the public service, it would be desirable, in the opinion of the Commissioners, that part of the duties of such Commission should be to ascertain, before an officer is retired for the reasons now mentioned, whether his services could not be utilized in some other branch of the public service, and thus obviate the necessity of making a new appointment to such a branch. On examination it was found that in the earlier administration of the Act it was clearly the case that additional service was granted to men who simply came into the service at a late period of life, and who never did anything but clerical work. Now, however, the Commissioners have to report that apparently of late years every superannuation has been well weighed, and additional years of service have only been granted to officers who were engaged in an established capacity.

20. Your Commissioners have now to take up the question as to the desirability of having a fixed age of retirement, and looking at the service as a whole, they think it would be in the public interest if a definite age of retirement were fixed, and at the same time it would be a convenience to the head of a department, who often feels under the necessity of acceding to an aged official's request to be allowed to remain in office. Both the English Commission of 1857 and the last English Commission have agreed to the principle, and have suggested 65 as the age. Your Commissioners concur in this idea, except in special cases to be fixed by His Excellency in Council, as laid down in existing regulations which have never been acted upon. But whilst it is eminently desirable in the opinion of your Commissioners that such an age should be fixed, they are of opinion that there should be an age at which an officer might say that he desires to retire. They are of opinion that after 25 years' service, and at the age of 60, an officer might fairly and properly be retired from the public service if he so wishes.

21. In the evidence submitted to the Commission, various answers have been given to the question relating to the refunding of superannuation abatement deducted from the salaries of officials who resigned or were dismissed. Your Commissioners, considering that resignation is a voluntary act, and is not done without calculation of the consequences, are of opinion that it does not entitle the officer to any refund. On the

other hand, with regard to dismissal, it is hardly necessary to state that nothing should be done beyond what the courts would exact, and that dismissal should be no more than dismissal. In such case the abatement paid by an officer dismissed should be handed back to him, or a superannuation should be effected. Your Commissioners are also of opinion that when officers die in the service of the Government, the amount they have paid to the fund, with interest thereon, should be paid to the widows or orphans of such officers, when they leave widows or orphans, or otherwise to their legal representatives. It is felt to be an injustice and hardship in the case of widows and orphans especially, that these moneys should be practically confiscated by the State.

22. There is a general idea amongst the members of the public service that it would be desirable to have some insurance scheme established in connection with superannuation. Your Commissioners have to point out that whilst superannuation is one thing, and is largely for the benefit of the State, insurance is another, and is for the benefit of the public servant alone. At the same time, however, they are of opinion that anything that would lead to the cultivation of thrift and forethought on the part of civil servants in making provision for the wants of their families should receive encouragement.

The Commissioners submit for the consideration of the Government the evidence of Messrs. Fitzgerald and Matheson on this subject, and if it is considered desirable to carry out either or any of the suggestions therein contained, they would recommend that in addition to his other duties, the Superintendent of Insurance should have the office of administering the scheme.

23. It is well worthy of consideration whether the whole subject of superannuation allowances might not be arranged with advantage somewhat on the plan recommended by Mr. Matheson, of the Post Office Department, viz., that in future the contributions of members be placed to the credit of a special fund in each officer's name, the amount to bear interest, which is to be added yearly; that on the death of a member this sum, with a certain amount added by the Government, be paid to his widow or children, when he leaves a widow or children (but not to any other relatives), or on his retirement, according to regulation, the same payment to be made to himself.

In conclusion, your Commissioners are of opinion that the Superannuation Act now on the Statute Book for over 22 years, and under which moneys have been retained from the salaries of public servants, constitutes an agreement that the Government and the country are in all equity bound to execute, and whatever action be taken towards amending the Act, they would recommend that the vested right of every public servant now contributing from his salary superannuation abatement should be respected to the highest degree.

All of which is respectfully submitted.

GEO. HAGUE,
GEO. W. BURBIDGE,
E. J. BARBEAU,
J. M. COURTNEY.

J. H. FLOCK, *Secretary.*
OTTAWA, 21st April, 1892.

STATEMENT showing the ages of Pensioners, number at each age, and amount paid at each age, with total number and amount paid each ten years, as per Public Accounts to 30th June, 1891.

Pensioners, aged.	No.	Total each 10 years.	Amount paid.	Total each 10 years.
			$ cts.	$ cts.
93	2		532 08	
92	1		2,379 96	
		3		2,912 04
89	3		932 76	
88	5		2,674 20	
87	3		1,056 84	
86	8		2,650 32	
85	5		2,238 96	
84	7		4,547 72	
83	8		3,920 88	
82	4		3,308 40	
81	11		2,451 47	
80	12		10,589 55	
		66		34,371 10
79	10		8,119 [illegible]	
78	20		7,800 35	
77	15		11,268 48	
76	13		4,007 28	
75	28		14,852 50	
74	15		5,957 97	
73	23		9,121 40	
72	21		9,225 70	
71	24		10,773 67	
70	21		12,613 62	
		190		93,742 45
69	20		11,830 17	
[illegible]	9		2,848 32	
[illegible]	14		10,386 54	
66	20		8,181 52	
65	13		7,795 83	
64	11		4,701 87	
63	7		3,168 30	
62	10		5,096 18	
61	10		4,862 59	
60	15		6,219 46	
		129		65,090 78
59	10		3,631 80	
58	4		1,854 00	
57	7		2,529 44	
56	5		1,862 76	
55	10		4,759 80	
54	6		3,411 56	
53	7		3,422 88	
52	2		389 76	
51	3		1,033 92	
50	8		3,692 26	
		62		26,588 12
49	4		613 91	
48	2		1,345 92	
47	4		1,141 14	
46	3		338 09	
45	1		96 20	
44	2		199 18	
43	1		195 96	
42	3		595 20	
41	2		356 82	
40	1		360 00	
		23		5,242 42
39	1		450 00	
38	4		1,143 72	
37	1		120 00	
36	1		186 96	
35	1		80 00	
33	1		201 00	
		9		2,181 68
		482		230,128 59
Add gratuities and amounts paid to pensioners who died during the year				10,981 90
Total expenditure				241,110 49

REPORT OF THE VISITATION OF THE DEPARTMENTS BY THE CHAIRMAN AND MR. BARBEAU.

To His Excellency the Governor General in Council

MAY IT PLEASE YOUR EXCELLENCY,—

We, the undersigned Commissioners, accompanied by the secretary of the Commission, having by arrangement visited the whole of the departments at Ottawa, and made an inspection of every room and office in the buildings, with a view to personal observation as to the manner in which the work was done, the distribution and classification of the same, and the arrangement of the offices themselves, beg to report as follows:—

That such visits were made to every department in turn, commencing with the Finance Department and ending with the Parliamentary Library.

It became apparent to your Commissioners during these visits that it would be advisable to have before us a clear statement from each department of the various branches of work and lines of operation carried on therein or supervised therefrom, inasmuch as the names attached to departments in some instances convey a most inadequate idea of these operations. They therefore framed schedules which they addressed to the deputy head of each department, requesting such a statement to be made, namely, first, of the work carried on; secondly, the officials concerned therein; and thirdly, of the cost thereof.

At the outset of this report we call attention to the answers as embodied in the schedules furnished to us and appended to the evidence, and can only express the opinion that there is no source whatever whence can be derived so clear, intelligent and comprehensive a view of what is being done in these departments as is contained in these answers. They are worthy of all possible study by those who desire to understand of what the Civil Service of Canada really consists, and especially what is being done in the buildings at the seat of government. Although in some instances details of too trifling a character are embraced in these answers, yet this detracts little from the very great and singular value to be attached to these comprehensive summaries.

With this introduction, your Commissioners beg to say at the outset, that in their judgment the books and accounts of the various offices are kept in a business-like manner for the most part, and that they reflect credit upon the majority of the officers employed thereupon or in connection with them. They have specially to report a high degree of satisfaction with the thoroughness, completeness and accuracy of the mode of registering correspondence and records. This matter is so carried out that it is possible to obtain information upon almost any conceivable subject that has ever been dealt with in any of the departments at a few minutes notice. Your Commissioners tested this in various departments with results of a most satisfactory character. It should at the same time be stated that to obtain such a perfection of record-keeping and indexing it is necessary that it should be done on a far more elaborate and extensive scale than would be necessary if the departments were the offices of a business corporation. Your Commissioners, however, believe that this completeness is necessary under the circumstances of the continual reference necessary by the Privy Council to matters that may have taken place in former years, but especially so in view of the necessity of the departments being prepared to answer questions asked during the sitting of Parliament.

Although the above statement summarizes generally the condition of the work done in the departments as a whole, they noticed and now put on record the fact, that in some of them there still prevail cumbrous and old-fashioned methods of keeping accounts, copying letters and conducting business generally. This is a matter which they believe can be remedied without difficulty under the operations of an intelligent and vigilant Civil Service Commission, who shall be armed with power to deal with such matters.

They also found different systems of book-keeping in operation in different departments, some of them very much superior to others. They found also that many improved

methods of conducting business, economizing time, and facilitating work, which were in operation in certain departments, were confined to these alone, although it was evident that their adoption would be highly beneficial in every department and branch of the service.

Your Commissioners were glad to observe a large development of the spirit of invention and improvement at work in various offices, and their conviction is, it would be to the great advantage of the whole service if such efforts could be recognized as they deserve, and if, when improvements are established in one department, means were taken whereby all other departments should have the benefit of them.

ARRANGEMENT OF OFFICES.

One of the first things that struck your Commissioners in going from room to room and office to office was the extremely inconvenient style in which the offices were divided into small rooms, whereby men were separated whose work was related, whereby facilities for idling and talking and seeing visitors were greatly enlarged, to the detriment of the work, and whereby difficulties, in some cases quite insuperable, were raised in the way of efficient supervision by the deputy head.

Allusion has been made to this in the general report, which allusion was largely founded upon what your two Commissioners observed, as well as upon certain portions of the evidence; but they must take occasion to emphasize this point. There is an immense waste of power in this division of offices, a needless multiplication of men, a constant waste of time, and a resulting expense to the country, which must amount to tens of thousands of dollars a year. In fact, if we were to put the cost of this to the country at $50,000 a year at the least, we should, we are convinced, be well within the truth. Nothing is more necessary in our judgment as the foundation of a general adoption of business-like methods in the future than to have many of the smaller offices thrown into one by the breaking down of partitions and the opening of doors of communication between rooms. The result of the adoption of this recommendation would in our judgment be such that in a few years it would not only save all the expense incurred in making alterations, but lead indirectly to such results that the former state of things would be looked back upon with astonishment.

Particularizing our visits somewhat in the order in which they were made, we append a brief summary of our conclusions with regard to each, beginning with the

Finance Department.

The work in this department is done with exceptional intelligence. Arrangement of the same good. Economy of men has been carried out so that in spite of the large increase of business, the number of officers is less than was employed in the same department ten years ago.

Savings Bank Branch is well systematized.

The Note Department has a remarkably good arrangement of its offices, and therein we found the only really good vaults and safe to be found in the whole of the departments. The entrance to the Note Department should be protected by an iron gate.

Officers too much distributed over small rooms, and desks and furniture very cumbrous and old-fashioned in many cases. System of checks with regard to the large sums of money embraced in the receipts and expenditure of the Dominion very complete. Register of correspondence admirable. There might possibly be improvement in the method of taking custody of the valuable mass of securities and notes in charge of the department. No protection from fire whatever.

The Auditor General's Office.

Suffers much from scattered rooms and loss of time in communicating between one branch and another consequent thereupon. Work very much hindered and efficient supervision prejudiced thereby. No fire protection.

This office is generally well manned and the Auditor General exercises as efficient control as is possible, considering how his officers are separated from him. The work we consider is well done, with perhaps a tendency to make much of rather small matters in the accounts. Not a great fault, unless it leads, as it sometimes does, to larger matters being passed over.

The annual report of the Auditor General speaks for itself as to the mass of subjects his office deals with, and the amount of work done thereupon during the year. Much of the work reviewed in the Auditor General's report is dealt with in the reports of other departments, and there is a considerable amount of duplication and consequent loss of time in connection therewith.

If the Auditor General had power to direct the form in which departments prepared their returns, this evil would be remedied and his own report materially shortened. The Treasury Board might properly attend to this.

The Auditor General, it should be said, is constantly on the look out for improved methods, and is endeavouring now to devise as efficient a check upon revenue as is in force with regard to expenditure.

Post Office Department.

This is one of the largest in the whole service. It has many branches, numerous sub-divisions, and is characterized by a great diversity both of methods and ability in carrying them out. The Savings Bank and Money Order branches are both characterized by a high degree of organizing and administrative ability, as is also the Secretariat. But there are obviously in this department a large number of persons who are doing work of a routine character, some of whose salaries are out of proportion to responsibility. The division of rooms in this department is better on the whole than in some others, the department being lodged in the new Langevin Block; but a good deal of important work is done in the basement under difficult and in some respects unhealthy conditions. We found men in an inferior position in this basement who had considerable responsibility, and whose salaries in our judgment were altogether inadequate. We found here also an arrangement for carpentering work to be done in such a manner as highly to increase the danger from fire, as the place where the carpenter works is surrounded in all directions by very inflammable material. Throughout the whole of this vast and important department, there is no protection from fire whatever. A large number of ladies are employed in the rooms, and so far as we could see and hear, they are doing their work well, and rendering good service for their remuneration.

It should be stated here that there is not that proper correspondence and good understanding between the Post Office Department and the Public Works Department with regard to new post offices which is desirable. We noticed a somewhat singular anomaly in the relation of this department to the Intercolonial Railway. While the Post Office Department pays the railway for carriage of its mails, thus increasing the revenue of the road and the cost of the Post Office Department, the extensive correspondence of the railway is carried by the post office without any charge whatever.

Public Works Department.

This department has a larger number of employees than any other in the Service. Its deputy head is one of the only two instances we found in which that office was filled by one who had gone through the lower grades of the Service. So far as the accounts, book-keeping and correspondence were concerned, we found a considerable amount of old fashioned and cumbersome methods prevailing, combined with, here and there, a perfectly intelligent manner of performing work. But in this department we noticed a number of persons engaged in what seemed entirely superfluous labour, and on explanation being called for, none could be given. In this department there are a large number of persons of technical qualifications, such as engineers of various grades,

architects, draughtsmen, superintendent of telegraphs, &c. So far as we could judge, many of these gentlemen are highly efficient in the discharge of their duties and look well after their subordinates.

This department, like the first-named, suffers materially by the wide scattering in various rooms and various storys of the building, some of them far away of the men who are doing the work of the department. We have in this department a conspicuous instance of the need of reform in this direction. The schedule relating to this department will show the multifarious lines of operation in various parts of the Dominion, which are directed and controlled therefrom. We were much gratified to notice that in the Chief Architect's branch there was evidence of care and economy in preparing plans and erecting buildings, and especially in conserving and defending the interest of the Government against unreasonable demands of contractors. An instance was given in the plans and contracts connected with the Langevin Block, where, at the conclusion of the work, the contractors claimed over $300,000 for extras, every part of which was ruled out by the Architect's branch, except some small items, amounting to less than $2,000. The increase of work in the Public Works Department, during the last ten years, has been nearly three-fold. The Chief Engineer, Mr. Coste acting as such, has at the present time the direction and supervision of about 250 separate works, of various kinds, for which all plans and estimates are prepared in the department. We call special attention to the very valuable evidence given by this gentleman with regard to the preparation of plans and estimates and the manner of letting contracts, together with the supervision of works at a distance.

Your Commissioners came to the conclusion that this department was somewhat over-manned, a conclusion which was acquiesced in by the deputy head, who stated that he was preparing a plan by which the work would be shortened, and the staff reduced by 20 or 25 persons.

Railways and Canals.

This also is a department in which all the important work is done by officers of technical qualifications, such as engineers, surveyors, draughtsmen, &c. Your Commissioners were shown from room to room, and noticed, as in the case of the former department, the admirable style in which the plans and drawings were made. In this department the clerks are nearer to each other, and effective supervision can be carried on. This is the largest spending department under the control of the Government, and so far as your Commissioners could judge by examination of the *modus operandi*, a considerable amount of efficiency had been attained in supervising and checking the expenditure—that is, so far as the methods are concerned: but they are aware that with the best methods and most complete system of rules and regulations, constant vigilance on the part of the superior officers of the department, and especially of the deputy head, is needed, in order to prevent waste, abuse, and extravagance constantly occurring.

The book-keeping and correspondence of this department is very large, and on the whole is well done. But the same defects are noticeable in certain branches of this department as have been referred to in the report on the Department of Public Works. In this department a large amount of saving has been introduced by the adoption of photography for the duplication of plans. An admirable photographic establishment is maintained for this and other purposes.

As a sub-division of this department we found the offices of the Chief Engineer of Government Railways, who has a considerable staff under him, and of whose qualifications we do not need to speak. We were pleased to find that he has in view quite an extensive series of economies in the working of the Intercolonial Railway, and which he states can be carried out, unless they are interrupted for political considerations, a matter which very considerably hampers the working of this railway, as is evident, and seriously adds to the expense of conducting it. There is no department of the public service in which the elimination of political influence and the adoption of purely busi-

ness methods would yield better fruit than in the direction of this great public enterprise. In this connection we direct special attention to the important and practical evidence given by Mr. Schreiber before the Commissioners.

We noticed a tendency in the Department of Railways and Canals, and also in that of Public Works and other departments, in the direction of needless multiplication of written routine references, requests and correspondence, with regard to matters which might be dealt with quite as efficiently and more economically by verbal communications. This is an inheritance of the traditions of the past. Needless work was also being done in the department, or what appeared such to the Commissioners. An efficient supervision by a Civil Service Commission in future would lead to great improvement in such matters.

Customs Department.

This department, as is well known, collects the greater portion of the revenues of the Dominion, and has a very large number of branches, agencies, offices and sub-offices scattered all over the Dominion. The amount of correspondence is therefore great, and as in the case of the other departments, it is well conducted. This department has its rooms all on the same floor, and has very fair facilities for supervision and enforcement of discipline, but there are too many rooms, and as usual, no protection from fire. The Customs inspectors' reports are all noted in the department and dealt with. The preparation of statistics of imports and exports is a very elaborate and complete work, and is well done on the whole, though in some respects we think these could be considerably simplified.

The appraiser's department and the testing room are well managed. The appraiser, Mr. Jessop, strongly objects to the system of allowing officials to share in fines. He has never taken one dollar himself though he has personally discovered many cases of false invoices, and in which the seizing officer has realized the proportion of fines. We should add that the Commission is also of the same opinion.

There is in this department a somewhat remarkable instance of an officer devoting special attention and considerable energy and ability to the matter of frauds and seizures, and of making, on an average, an income therefrom year by year considerably in excess of his salary. This is a case, in our opinion, calling for early enquiry and consideration on the part of the Government. As it has existed it has been an abuse.

Inland Revenue.

The officers of this department are, many of them, persons of technical qualifications, and the whole work of the department seemed to us to be well organized and in a satisfactory condition. It was noted here, in one branch of the enquiry into the methods of this department, that political influences were constantly at work to prevent arrangements being carried out from time to time in the outside service of a business-like and economical character. This department is also without protection from fire, but the rooms are on the whole more conveniently arranged than in some other departments.

Marine Department.

The deputy head of this department is one of the oldest officers in the service, and we should judge pays special attention to the discipline of his officers and clerks. The facilities therefor are not as good as they might be, although superior to what prevails in some other departments. The remarks made with regard to accounts, correspondence and records apply equally here. The deputy stated that he makes it a point in his department of seeing that his officers remain until the work of the day is done, even though it takes them considerably beyond the statutory hours. The head of one branch of this department stated that he very generally has to work until six o'clock, p.m., and also on holidays. Some special improvements in the method of dealing with correspondence and the simplification of accounts and book-keeping are due to this officer. This is an instance where it would be desirable to have such improvements made known and adopted by the departments generally.

This department amongst other things has the charge of 710 lighthouses—more than there are on all the coasts of Great Britain and Ireland. We should judge that a very efficient outlook is kept on the very diversified service of this department, and that supplies therefor are purchased with requisite economy.

Fisheries Department.

The offices of this department are contiguous to those of marine, and are convenient of access to one another, affording good facility for supervision and discipline. An immense amount of detail is gone through in the correspondence of this department with the vast multitude of persons engaged in fishing both on the coasts of the Dominion and in inland waters. About 21,000 claims are made for fishing bounties every year, all of which have to be considered and adjudicated upon and correspondence had in connection therewith. The department issues in connection with this branch of the service about 40,000 cheques every year, which would mean an average of more than 3,000 per month. The work of the department we consider to be well done, and we learn that in the correspondence room the officers almost invariably work until five o'clock, and when there is pressure of work a good deal later.

Department of the Interior.

This immense and complicated department affords perhaps the worst instance of all in the bad arrangement of the offices in which the work is conducted, and their wide separation from one another. To such an extent has this been carried, that a considerable number of the officers and clerks employed are in a separate building altogether from the rest, while others are separated by long distances and many flights of stairs. Your Commissioners reiterate and strongly emphasize, in connection with this department, the impossibility of efficient supervision and the maintenance of proper discipline under these conditions. The acting head of the department, like another before mentioned, has passed through the grades before assuming his present office and is therefore more than usually conversant with all the details thereof. The book-keeping, correspondence and record keeping are generally well conducted, and the work of the superior officers possessing technical qualifications, such as the Chief Geographer, Chief Astronomer, the Surveyor and draughtsmen connected with the settlement of the North-West and the exploration of the regions in the Rocky Mountains and the opening up of unoccupied territories, is done with what seemed to your Commissioners a high degree of efficiency. With regard to the space of the department, while in some instances men are unnecessarily crowded, in others, where other buildings are employed for offices by this department, there is a superabundance of space.

In the Surveyor General's office, located over the Bank of Ottawa, the development of photography was noted with interest as applicable to surveys in mountainous districts, by which a large economy of money and time has been effected. Lithography is also employed in this department, and so efficiently has the work been done that there has not been a single case in which litigation has arisen over the boundaries laid out by the department. The carrying on of lithographic work in the department has resulted in considerable economy, in comparison with the old system of having the work done outside. The work of all the field surveyors is checked in the department and not paid for unless found correct. About thirty-three millions of acres were dealt with in one year when the first large migration to Manitoba took place. The surveys of the North-West are done very economically, costing at the rate of 2½ cents per acre, as compared with about 7 cents per acre formerly paid in the Province of Ontario. Some of the book-keeping methods in this department are antiquated and cumbersome, and might be much improved. The want of fire protection in this department is most painfully felt in going through it. Indeed, the condition of many of the rooms and corridors, where documents of immense value are kept, is a disgrace to the public service. No one can pass through these corridors and offices without perceiving that it is a crying necessity to have the valuable documents, which are the foundation of titles to the whole of the

land in the North-West, as well as masses of other documents and records of great value, placed under efficient fire protection at the earliest possible date. It is impossible to conceive of the damage that would be done in case a fire broke out in the midst of such masses of inflammable material as are packed together in these corridors.

The Commissioners call attention to the schedule respecting this department, in order that those interested may have a proper idea of the multifarious matters that are connected with it. The work in the lower branches of the department has been rather over-manned of late than otherwise, and steps are now being taken to reduce the staff to business-like proportions.

Department of Agriculture.

This department is another of which the name conveys a most inadequate idea of the business it carries on. It might be supposed to have relation wholly to the improvement of farming and the best methods of developing the resources of the country in the shape of land and stock. But, in fact, a large part of the department is occupied with other matters altogether, namely, with the business of immigration, copyrights, trade marks, industrial designs, and also everything relating to the public health, the census, international and other exhibitions. In addition to all this, the Department of Agriculture has a subdivision within itself for patents for inventions.

Under the head of agriculture proper, this department has charge and supervision of various experimental farms both in the old and lower provinces. The work of the department is wholly carried on in the Langevin Block, and the arrangement of its rooms and offices is, on the whole, of a very satisfactory character.

The book-keeping and correspondence methods of the department, in some cases, might be much improved (as is the case in other departments), but, on the whole, a considerable degree of efficiency was observable, especially in the work of the accountant and the keeping of records.

In this department we found two large rooms filled with clerks engaged in the work of collating, indexing and finally preparing for the press, the masses of statistics connected with the taking of the census. This work was under the efficient supervision of the Government Statistician, who has introduced very considerable economies therein during the progress of the work. Most ingenious arrangements for facilitating the work, the economizing of time and the payment by results, have been introduced in these rooms, with highly beneficial results, both to the discharge of the work and the final cost to the country. The clerks engaged in this work come from all parts of the Dominion and are useful on account of their local knowledge. The adoption of the principle of payment by results has diminished the cost of this work in a most remarkable degree. Formerly, when the payment was at so much per day, there were completed in a month 6,191 sheets at a cost of 43½ cents per page. When the work was paid for according to results 14,896 pages were completed in a month at a cost of 18½ cents per page, which cost has subsequently been reduced to 6⅔ cents. This is an economy well worth noting, and we think it only just to Mr. Johnson to state that the credit of it belongs to himself. The statistics prepared in Mr. Johnson's own room refer not only to agriculture but to several departments of the business of Canada, and it is hardly needful to say that these matters are done exceptionally well. There is in this department a considerable amount of labour of a technical character, some of it requiring a high degree of intelligence and ability, which was specially observed in the rooms devoted to copyrights and trade-marks. It was stated to your Commissioners that in every case which has come before the courts the contentions of the department have been sustained. The correspondence with respect to immigration is varied and extensive, comprising letters not only to many immigration agencies in Great Britain but also other parts of the continent of Europe, together with every part of the Dominion, and also with its own special agents and officers in London and Liverpool.

While going through this department a singular want of correspondence was noticeable between the arrangements made therein for the care of persons arriving from abroad and their placing out in various parts of the interior, especially in the North

West, the latter being under the jurisdiction of the Department of the Interior. We then, after careful consideration, came to the conclusion that the public interest would be better served by the whole of this Immigration Department being placed under one head. We are pleased to observe that our ideas in this respect coincide with the conclusions already formed on the subject by the Minister, and we understand that arrangements looking thereto are now being carried out.

A very large amount of stationery is used in this department in connection with statistics and the compilation of returns. These are now printed on paper made of manila at half the cost of the old style, and just as good.

Department of Agriculture—Patent Branch.

The patent branch is almost a department in itself. From enquiries and evidence given, your Commissioners judge that a needlesss amount of circumlocution prevails in the management of this important office, which it should be remarked calls for a high degree of professional skill on the part of the examiners to conduct it properly. Your Commissioners are of the opinion that all persons charged with the responsibility of such examination should be persons of technical skill and scientific acquirements. In connection with the circumlocution above referred to, we call attention to the evidence given before the Commissioners by Mr. H. H. Bailey, which evidence was to a great extent corroborated by the Commissioner of Patents.

Your Commissioners were shown through the whole of the rooms connected with this branch, and followed the various processes observed in the issue of patents. In the record room are stored over 38,000 patents, all arranged in perfect order. Every patent before being issued requires the examination of the foreign patent records and exchanges, all which leads to a considerable amount of labour.

For the protection of models from interference after office hours in this department iron gates are needed.

Militia and Defence.

The arrangement of the rooms of this department immediately adjoining that of the deputy head, struck your Commissioners as being in some respects the most reasonable and business-like to be found in the whole of the departments. The Deputy Minister from his room commands the officers working in the large office adjoining, and can have complete supervision and control of the same. The arrangements here may serve as a model for any alterations to be made in the arrangement of the rooms in the other departments. In this department there prevails a system of what appears to be circumlocutory methods, and of written references passed from one officer to another, involving a multiplicity of correspondence and attention. Noticing the number of forms in actual use, they requested a copy of each, and found them to number 386. It is very possible that under the efficient control and supervision of a Civil Service Commission, a considerable saving might be effected in the number of men and the amount of time occupied in conducting the business of this department on these methods. In the numerous articles purchased for the use of the militia, as well as supplies of coal and other articles, there appears on the whole to be a judicious care for economy, although in some instances your Commissioners believe that better results could have been obtained by dealing with larger houses.

Your Commissioners visited the offices of the Director of Stores, the Adjutant General, and of the architectural staff. They also visited the militia storehouse in another part of the city, and found therein considerable stocks of clothing, accoutrements, arms and ammunition. The stores were all kept in good order, just as they would be in a business establishment. There is a certain amount of these stores that are becoming obsolete, and obviously from time to time, the various arms of precision need to be supervised, so that the latest and best may be procured, and be at the service of the militia of the country if called upon to defend it. This very large amount of property in the Ottawa store, of a value of about $330,000, we found to be entirely without insurance. It is said, of course, that every precaution

is taken, but your Commissioners strongly recommend that the additional precaution should be taken of insuring this valuable mass of property, as it is well known that fires sometimes break out in an unaccountable manner, and in spite of all precautions taken. As the building is entirely separate from those of the departments, there is no reason why insurance should not be effected. A regular account of these stores is taken periodically and an examination made on the principle of a stock-taking, in a similar manner to the methods of a commercial warehouse.

The total value of all the militia stores connected with this department at all points in the Dominion is over $1,100,000, not including guns. The report of the Director of Stores branch is appended to the schedule respecting the Militia Department.

Indian Affairs.

This department is exceedingly well placed in regard to rooms and space, and the arrangement of the offices leaves little or nothing to be desired. There is in fact a tendency, which in the opinion of your Commissioners should be rather repressed, to divide the large rooms into separate apartments by arrangement amongst the officers and clerks themselves. This department has room to spare rather than otherwise. The arrangement for the supervision of the Indian tribes in the Dominion from this department seem to be most complete, and as has been often stated before, the accounts and correspondence are well attended to. The department is an example to all the rest in having in one of its divisions a large vault wherein the books are put away every night, as they are in a commercial establishment.

The lands still held under reservation for various Indian tribes are all registered and noted in this department, and a large amount of technical work of the nature of surveying, drawing, drafting, map-making, is done in connection therewith. It was interesting to your Commissioners to note that several of the employees in this department are Indians themselves, one of them being a graduate of McGill University; and the testimony was that they performed their work with skill and efficiency.

The accounts kept with the various Indian tribes are voluminous and are of remarkable interest, and show at the credit of the larger tribes sums of money varying from $66,000 in the case of the Chippewas of the Thames River to $883,000 at the credit of the Six Nation Indians of the Grand River, the total amount of the Indian trust fund in charge of the department being over $3,600,000. A large number of valuable and important records are kept in this department, especially the treaties made in former years, going back to the last century and the reigns of the English kings of that period. Many of these documents are original, and are of the highest interest and importance, yet they are liable at any time, should a fire break out, to be entirely destroyed. The vault referred to is in another part of the building and is used only by the Accountant's branch. There is no one thing that needs early attention from the Government more than this protection of documents and records that are simply invaluable, and the loss of which might bring many branches of the service into utter confusion.

Secretary of State's Department.

This department is largely one of office routine and the keeping of records, many of them of great interest and importance. A large amount of technical skill is evident in the manner in which the records are kept, commissions are drafted, and other work of a superior character performed. Your Commissioners arrived in these offices just as the hour of four o'clock had struck and on going through them found nearly all of them vacant, the greater part of the staff having left. We here found another instance of the tendency of the clerks and officers to isolate themselves, even when they are working in considerable numbers in a large room. This is a tendency that should undoubtedly be checked wherever it exists.

Geological Survey and Museum.

The absence of fire protection here is most painfully apparent, as there is contained within the walls of the museum a collection of almost unrivalled interest and value. There is no reason why insurance should not be effected, the building being entirely separate from those of the other departments. The department is a good deal cut up into small-sized rooms, but the work is almost wholly of such a technical character that this is really no detriment to its performance. A large amount of the work of this department is done in the summer time in explorations and surveys connected with the development of the mining interests of the country in all parts of the Dominion, but especially in the North-West. So far as the supervision and direction of all this is concerned, it seems to be well attended to, but there probably might be improvement in the way in which the accounts are kept. The system is very simple, as compared with that in use in other departments. Possibly its simplicity might be after all a recommendation rather than otherwise, but this is a matter which a Civil Service Commission can take time to determine. This department has the best system of recording attendance of any of the offices in Ottawa. Not only is the time of arrival noted, but the time of going to lunch and returning therefrom, and final departure entered, and though this may appear an elaborate system, it is well kept up, and is stated to be highly beneficial. It was stated to us that the increase in the expenditure of this department at times over the vote was wholly due to some men being employed on the survey through political influence, who were not efficient in the performance of their work.

The room for the library is far too small. A large amount of valuable documents is stored in the cellar, a place where they certainly ought not to be. The men who are in the field in the summer make up their reports in this department in the winter.

Department of Justice.

For a very clear summary statement of the various important matters dealt with in this department your Commissioners beg to refer to the schedule relating thereto. From the nature of the department it will be understood that the larger number of its officers are men of education and legal qualifications. The office is well manned, and we should judge economically administered. The department is fortunate in having its rooms all together, so that no loss of time is occasioned in conducting its business.

This department has control of the Dominion Police. The mention of these recalls again this matter of insufficient fire protection and also the protection of the departments generally. It is worthy of consideration whether, until proper arrangements can be concluded, it would not be well for the more dangerous places to be placed in charge both night and day of a sufficient number of this staff.

North-West Mounted Police.

On visiting this department we found Mr. White, the Comptroller, absent in the North-West. The chief clerk introduced us to the various rooms and explained the working of the establishment. The rooms are exceptionally convenient and well lighted. The control and direction of the men in the North-West and the disbursements in connection with their stores, arms, accoutrements, clothing, &c., struck your Commissioners as being very efficient. All supplies are purchased by tenders, and your Commissioners saw that most careful accounts are kept with respect to not only every man and every horse, with the antecedents and character of each, but every single article used by the whole force, so that if even a saddle or a horse-girth is lost it can be traced. This elaborate system of book-keeping, although apparently too much detailed, is no doubt a great check on waste and irregularities, especially considering that the force is wholly employed at an immense distance from Ottawa and is scattered over thousands of miles of territory. One of the book-keepers here, a so-called temporary clerk, struck your Commissioners as being an exceptionally competent man and as doing a very large amount

of work for the remuneration he receives. For the last six years this officer, besides working in the day, has systematically returned and worked until half-past nine in the evening.

It is interesting to note, and we are glad to put it on record, that about 300 of the men in the Mounted Police have savings bank accounts and are steadily accumulating money out of their moderate pay. The department in Ottawa keeps the accounts of these men. The effect of this on the *morale* of the whole force cannot but be highly beneficial.

Printing Bureau.

Two visits were paid to the establishment of the Queen's Printer, which is undoubtedly in a highly efficient and still improving condition. Great economies have been introduced in the management of the masses of printing and stationery required by the Government, and the erection of the building and the placing therein the improved machinery and quantity of type it contains has been amply justified by the result. Some of these economies are due to the present able incumbent of the office of Queen's Printer. This establishment is managed purely upon business principles, and its methods are exactly those of a large private printing establishment. There are between 300 and 400 operatives of various grades, besides a considerable staff of accountants, clerks and other officers. Every thing about the building indicates thoroughness and efficiency in carrying on the work, with the exception, perhaps, of certain details in the book-keeping of the offices, which the Queen's Printer informed us he was taking steps to improve.

The Government Printing Bureau being more of a business establishment than a department of Civil Government, requires special care lest inefficient workmen should be placed upon the staff. The Queen's Printer should be instructed to retain no one who cannot perform the average day's work of a printer as required in other offices, and every man recommended for employment should enter with that understanding, and with the knowledge that no protection or influence can keep him in the Bureau, unless he is willing and able to perform that daily task which the usage of the trade generally considers to be fair.

In the same manner the office hands should be selected from those who have technical knowledge if new men are to be taken on in the upper grades. This technical knowledge may be acquired in the Bureau if the newcomers enter at the bottom of the scale and work up by promotion, but clerks of the writer class are very seldom needed. There is no copying to be done. The work is ordering, receiving, and despatching goods to the Stationery Department; and taking orders and superintending work in the Printing Department. A knowledge of the paper and printing business is essential even in the Accountant's office, for there the cost of work is checked, and if a simple writer is put into the office he cannot help in the work but has everything to learn. He is in the way, blocking more useful clerks, while his salary grows by accretion.

Privy Council.

The department of the Clerk of the Privy Council is remarkably well lodged, and the officials therein are generally of a high grade of intelligence. This, as will readily be perceived, is necessary in conducting the work, which is almost wholly of a highly confidential character. The records of the department are kept with a remarkable degree of completeness, and it was demonstrated to your Commissioners, during their visit, that information with regard to subjects debated in Parliament many years ago, and remarks made thereon by any individual member who might be named, were available within the space of a few minutes.

The Clerk, Mr. McGee, had some ideas to communicate with regard to the re-arrangement of certain matters of work between his own and other departments. The time at our disposal would not permit us to do more than simply note the fact. It is a matter which can very properly be dealt with by a Civil Service Commission when that Commission gets into operation.

Parliamentary Library.

Your Commissioners paid a brief visit to the Library, respecting the extent and completeness of which they scarcely need to say a word, as it is, perhaps, the best known of any of the buildings. They were conducted through the various rooms of the Library by the two Chief Librarians, who explained to us the methods on which it was managed. The Library is stated to contain about 150,000 volumes, and the opinion was expressed that so far as practical usefulness was concerned, it was equal to the library in the Capitol at Washington, though that contained about 500,000 volumes. There is an annual grant by Parliament of $10,000 for the purchase of new books, and the librarians are constantly on the watch for opportunities of securing such as are worthy of being purchased, and in the most economical manner.

Closing Remarks.

The inspection of the offices which was carried on, led us to be about the various buildings a good deal between four and six o'clock, and produced the conviction that better means should be taken to protect the departments from intrusion after certain office hours. At present the corridors and passages are almost as public as the open street, yet from want of space in certain departments, immense numbers of valuable records and large masses of correspondence are to be found stored in cupboards standing therein.

In the departments in Washington, as one of our number had recently reason to observe, the doors are closed at a certain hour in the afternoon, after which no person can be admitted, unless he can show to the messengers in charge that he has business to transact in the departments.

We remark in conclusion that with regard to the various matters in which we found defects to exist, there can be no doubt that the inspection and supervision of a Civil Service Commissson would remedy them all within no great space of time. But in order to insure its being done, it is a *sine qua non* that the Commission be clothed with sufficient powers by Parliament. Unless this is done the conviction of your Commissioners is that the Commission will degenerate into a mere *pro forma* machine, exercising its functions in a mechanical manner, and so become a mere useless appendage, the whole cost thereof being thrown away.

All of which is respectfully submitted,

GEO. HAGUE,
E. J. BARBEAU.

J. H. FLOCK, *Secretary.*

OTTAWA, 21st April, 1892.

CLOSING MEMORANDUM BY THE CHAIRMAN.

To His Excellency the Governor General in Council.

MAY IT PLEASE YOUR EXCELLENCY :—

The undersigned having been Chairman of the Commission from the beginning, desires to put on record a few closing observations :—

1. The subject, as it opened up before the members of the Commission, widened out into so many ramifications of enquiry that every member of it has felt that the time has been only too restricted for enabling them to weigh and digest the valuable mass of evidence taken on the subject, as well as the large mass of evidence presented to the notice of Commissions that have sat on the same subject in England.

This restriction of time has been especially felt in connection with the important subject of superannuation, with respect to which two ideas have pressed themselves upon our consideration during the short time we were able to devote to the subject, namely : first, that it is not a fair presentation of the subject to put it in the form of bare receipt and expenditure, as is now done, unless there is appended a calculation of the amount saved in the salaries of officers who have been retired ; and second, that there does seem a necessity for revising the present method, in view of the hardships suffered by the families of deceased officers, who have paid considerable sums towards superannuation, but have never derived any benefit from it.

2. If business methods are to prevail in the internal organization of the service, the undersigned is of opinion that an approach should be made, as early as circumstances admit, to the division of the service into two classes only, to be called respectively Officers and Clerks, the first having responsibilities of management and superintendence, and the other that of clerical work, whether of a preliminary or advanced character. These would be paid by yearly salaries. Below these, of course, there would be messengers and mechanics of various kinds, who would be paid a certain rate per day or per week.

He is of opinion that a system of this kind would act as a constant stimulus to the members of the service to perform their duties efficiently, and so fit themselves to rise from the lower to the higher rank. Along with this, that there should be established a regular system corresponding to that which obtains in banks and railway corporations, of the entrance of young men into the service at a low salary, to be regularly trained for Government employment by actual work in the offices. He is convinced that a large measure of economy would result from the adoption of methods of this character.

3. Having had an opportunity, during a brief visit to Washington during the sitting of the Commission, to make some enquiry into the methods of the Civil Service there, and especially into the working of open competition, he begs to say that the system of such competition has worked admirably, and is carried out in a most business-like and efficient manner, under the direction of the Commissioners who have charge of it. This system has undoubtedly corrected many grave abuses formerly prevalent in that service, and its methods will be well worthy of the attention of the Board of Civil Service Commissioners. Knowing that the present Postmaster General was a man of eminent business qualities and experience, it was felt to be most desirable to have an expression of his views, and a letter was accordingly written to him on the subject, which brought forth the following reply, which contains many points well worthy of consideration :—

"OFFICE OF THE POSTMASTER GENERAL,
"WASHINGTON, D.C., 25th March, 1892.

"SIR,—I beg to acknowledge receipt of your letter of the 21st instant, stating that you have been appointed by the Government of Canada Chairman of a Commission to enquire into the workings of the Civil Service. You request information as to the workings of a similar system in the United States. Of course I cannot undertake to answer for any other department than my own. I may say, with reference to open

competitive examinations for original appointment, that so far as the clerical force is concerned they result, in the main, in securing honest, capable clerks. However, it has been found preferable to put into operation lately a plan by which all vacancies in the central department at Washington are to be filled, not directly from the eligible list of the Civil Service Commission, but through transfer from the railway mail service, or from one of the 52 large city post offices, of clerks who have had some previous postal experience.

"This plan has two advantages: 1st. The one to which I have alluded, by which only experienced postal clerks are secured for the Washington department; 2nd. That better service is obtained through the inducement held out to the clerks in these 52 offices and in the railway mail service of promotion to Washington, if they deserve it.

"So far as the railway mail service is concerned, the appointments made from the lists of the Civil Service Commission are not so satisfactory; and this arises, I conclude, after enquiry, chiefly from the fact that there is not a sufficient physical test required from the applicants. That point for the railway mail service should be carefully provided for.

"I beg, furthermore, to say that these remarks are best borne out by the statement that while the cases are rare in which candidates are dropped from the central department force during probation, a large proportion of the probationers in the railway mail service are dropped, the number failing to do their work properly in that service having for a long time been from a quarter to one-third of those certified as fit for appointment. If we could come into personal contact with the candidates, and require adequate physical examination, so many of our probationers would not be men of imperfect sight, or weaklings unfit for the work.

"In regard to your enquiry as to how to promote a business-like spirit of work in the offices, keep out laziness, loafing, and inefficiency, as well as how to manage promotions so that the competent and able men will get on and the other men be left behind; and how to get rid finally, in defiance of political influence, of men who prove of no use after trial, and of those who have fallen into confirmed bad habits, I have the honour to state that the desired ends, it is believed, have been fully met by a plan of competitive examinations upon merit, inaugurated in this department 1st July last, and on 30th November extended to each of the 52 large city post offices. Immediately, upon the occurrence of a vacancy in this department, the clerks in the next lower grade are entitled by right to compete in a written examination for the promotion, which written examination counts as for 40 points only in a schedule of 100. The remaining 60 points are embraced in a daily office record of efficiency, kept in every division of the department, so that practically each clerk is passing an examination daily. The averages made by the candidates in the written examination and in the daily office record are combined, and upon this basis alone are promotions made. They are removed absolutely from every other influence.

"The benefits of this system it is difficult to over-estimate; it has resulted in a reduction of petty absences and derelictions, and in securing a greater quantity and a better quality of work through the entire department. Each clerk seems to feel that his advancement depends entirely upon himself.

"A somewhat similar system is in vogue in the railway mail service. Once each quarter the records of efficiency in the department and the post offices are reviewed by the departmental Examining Board, and if any of the clerks are found to be below a fair average of efficiency, they are admonished that unless an improvement be made on the succeeding quarter the question of reduction of salary will come up for consideration; if there be no improvement for two or three successive quarters, there is strong probability that a dismissal will be recommended.

"I send you herewith, for information, copies of two orders upon this subject."

"Yours respectfully,

"JNO. WANAMAKER,

"*Postmaster General.*

'GEORGE HAGUE, Esq.,

"Care Merchants Bank of Canada,

"Montreal, Canada."

The undersigned cannot allow these reports to close without bearing testimony to the great assistance the Commission received from the Deputy Minister of Finance, whose intimate knowledge of the business of the departments prepared the way for much of the work that has been done, and enabled it to be carried out in far less time and yet with far more thoroughness and efficiency than would have have been possible under any other circumstances.

Respectfully submitted,

GEO. HAGUE,
Chairman.

MONTREAL, 23rd April, 1892.