

Mr. CHARLTON. What is about the average loss to the Government on the interest of deposits received until re-deposited—the Government deposits money with the banks at 4 per cent.; and is there any means of informing us what loss is sustained under this head?

Sir LEONARD TILLEY. I cannot state the exact loss, but it cannot be very large, for this reason: it is considered necessary, under any circumstances, as near as may be, to have \$2,000,000 or \$3,000,000 at call in the banks of the country, and, for this reason, the amount of Dominion notes held by the banks to-day, is perhaps \$3,000,000 or \$4,000,000 in excess of what they are compelled by law to hold. Under these circumstances, the hon. gentleman will see it would be very impolitic, and unwise under any circumstances—and no Government would do otherwise—to have less than \$2,500,000, or something of that kind, at call; and, for various reasons, demands may be made on the Government from day to day. Take, for instance, the Pacific Railway, as it proceeds every twenty miles, \$200,000 are to be paid and \$180,000 or \$190,000 to be paid back on the land grant bonds deposited with them; and, therefore, under any circumstances, for the general safety and credit of the country, and to prevent any possibility of any difficulty, the Government should and must necessarily have \$2,500,000, and, perhaps, \$3,000,000 at call. Then, when we find any money coming in from the savings banks or from any other source, we have arranged with the banks, to take it for from four to six months, just as we find our position likely to be, and as it may be required; and, therefore, we have that sum placed to the credit of the Government, deposited for two, four or six months, or sometimes subject to a notice of thirty days, for which they give us 4 per cent. Of course, there may be some little loss between the transmission, but it cannot be very large under these circumstances.

Mr. BURPEE (St. John). Are the savings banks managed through the Finance Department?

Sir LEONARD TILLEY. No; but by the Post Office Department.

Mr. BURPEE. You have nothing to do with them?

Sir LEONARD TILLEY. No.

12. Department of Inland Revenue \$35,712.50

Mr. LAURIER. In the Department of Inland Revenue, I see that no provision is taken for the salary of the Assistant Commissioner. This office exists by Statute. Is it intended to abolish it? I would suggest it as proper, then, to amend the law creating the Department.

Mr. COSTIGAN. The number of the staff at present is twenty-eight, last year it was twenty-seven. The apparent increase shown in the Estimates is \$1,762.50; but taking into account the Chief Clerk and Assistant Commissioner \$2,400, the real increase is found to be \$4,162.60. Of this, two men have been added to the permanent staff, but who were Commissioners last year, which accounts for \$1,825, one being at \$1,095, and the other \$730. The ordinary increment provided for by the Act of twenty-two officers at \$50 each, amounts to \$1,100. The sum of \$1,247 remaining is accounted for by the reorganizations of the salaries and promotions in the Department.

Mr. LAURIER. I asked the hon. gentleman about the item for Chief Inspector of Standards; I suppose that has to do with the weights and measures. Is this a promotion, or a new appointment?

Mr. COSTIGAN. This is a promotion.

Mr. LAURIER. Perhaps the hon. gentleman will explain about the supernumerary first and second-class clerks?

Mr. COSTIGAN. According to the Civil Service Act there was a reorganization of the staff of the Department.

These supernumerary clerks were first-class clerks when the reorganization was made, and, of course, we cannot interfere with their salaries or rank. If a vacancy occurred that vacancy would be filled by the appointment of a first-class clerk.

Mr. LAURIER. I find here that, including the first and second-class clerks for this and last year, there is an addition of one clerk.

Mr. BLAKE. The total number of first-class clerks is six, being four first-class clerks, and two supernumerary, while the staff of last year, as the hon. gentleman states, was five first-class clerks; so that while he found, in his theoretical organization, an excess of two first-class clerks, he has actually himself created one first-class clerk. If the theoretical organization required only four first-class clerks, then it is impossible that there should have been more than five on the list looking at last year's work.

Sir HECTOR LANGEVIN. By the theoretical organization, as now adopted, the number of permanent first-class clerks of the Department will be four instead of five. The number of second-class clerks, under the reorganization, will be seven instead of eight, a reduction in both cases of one. But in the Department there were three who are now supernumerary clerks, two first-class, and one second. These cannot, under the law, be reduced in rank; but when any of the first or second-class clerks disappear one of the supernumeraries will be put on the ordinary permanent list.

Mr. BLAKE. So far as the second-class clerks are concerned the matter is pretty plain. On the theoretical organization of the Department there were eight second-class clerks, and there are on the list to-day seven second-class and one supernumerary second-class clerk; but we are dealing with the first-class clerkships, of whom there were, at the reorganization, five, while on the list to-day there are four first-class clerks and two supernumeraries, which make six, or an excess of one.

Sir HECTOR LANGEVIN. There are only two supernumerary clerks this year; at all events there is one less this year. The hon. gentleman asks me to account for the other; perhaps he will allow us to account for it on Concurrency.

13. Customs Department..... \$32,950.00

Mr. BURPEE. There are a good many changes in the Department, but there is not a very large increase in the amount. There is one first-class clerk less than there was last year; there are three second-class clerks more, and six third-class clerks more, and the six junior second-class clerks are dropped out altogether; and there is one additional clerk, a shorthand-writer. The total increase is \$955; leaving out the shorthand-writer, the increase is \$205. Is that increase made up by the \$50 additions?

Mr. BOWELL. The dropping of the junior second-class clerks is in conformity with the new Civil Service Act; consequently that increases the number of third-class clerks, and some of the others are promoted. The third-class clerk, the shorthand-writer, we propose to give \$750; he is for the assistance of the Commissioner, whose work has become so great that it is almost impossible for him to keep up with it. The reduction of one in the number of first-class clerks arises from the superannuation of one owing to ill-health. The \$205 addition to which the hon. gentleman refers, is due to the \$50 increases, and to an increase given to the Assistant Accountant. Owing to the responsible position he occupies and his efficiency, it is proposed to increase his salary to the maximum amount, so that there will be no increase in his salary in the future. The hon. gentleman will understand that the Estimates for this year are much less than those of 1878. Last year the expenditure was only \$38,000, notwithstanding the enormous