

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

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

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

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

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

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

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

#### APPOINTMENT TO OFFICE.

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