

TELEGRAPH DEPT. DEMORALIZED

Mr. Stone Exposes Its Inward Rottenness, In Forcible Speech In The House on May 27th

WASTE, GRAB, DRUNKENNESS AND BOODLE CHARGED

Commission of Investigation Demanded to Inquire Into Whole Service, and Scandalous Mismanagement.

MR. STONE—Mr. Chairman, during last year's session of the Assembly members of this side of the House asked and obtained certain information in relation to the expenditures on the construction and maintenance of the postal telegraph lines and cables.

The information elicited by the answers given last year was such as to justify further enquiry and soon after the assembling of the present House I tabled a number of questions bearing on the expenditures under the Department of Postal Telegraphs, some of them were but partially answered, and some of them bore the impress of evasions particulars where they related to payments made to individuals for alleged services rendered.

The condition of affairs, both as to expenditure and management of the Postal Telegraph Department which the few particulars we have been able to obtain has disclosed is such as to challenge more than the passing notice of the Honourable Colonial Secretary who is primarily responsible for the administration of that Department, and of the Executive as a whole, who are morally responsible for the evident maladministration of that important branch of the public service.

The statements of expenditure under the head of Postal Telegraphs which have been furnished this House constitute a grave scandal and evidences reckless squandering of the public funds by incompetent officials or dishonest public servants misappropriations.

The scandals and maladministration of that Department as have been disclosed by the partial statements submitted by the Honourable Colonial Secretary are of such magnitude as to demand the attention of the Executive and justify this House in asking for an investigation under commission, and unless the Government are prepared to shoulder the responsibility for the scandals and cloak the men responsible for them, they will take such action as the conditions demand and restore confidence in the administration of the Department by its thorough reorganization.

If we take the public accounts according to the Auditor General's statements and the annual report of the Postmaster General, we will get some idea of the enormous cost of this Department.

Taking the period from 1908 inclusive and we find that the expenditure on account of Postal Telegraphs reached the enormous total of roundly \$700,000 or an average expenditure under the head of Postal Telegraphs of the sum of \$140,000 per year.

For this vast outlay we have in that period of time built over 900 miles of telegraph lines and laid about 25 knots of local cables. This is estimated, and likely in excess rather than under, the actual mileage, as there are no reliable and accurate statistics to be

obtained from the Department of Postal Telegraphs as to the cost, construction, maintenance and operation.

It would be a liberal allowance for building land lines in this country to figure the cost at \$150 per mile which would account for roundly \$140,000 for the 900 miles of land lines built.

According to the annual report of the Postmaster General there have been twenty-four and three-quarters miles of cable laid.

We would be making an exceedingly liberal allowance (including the purchase price) at \$700 per mile. Allowing every margin and give the maximum length of cable laid at 25 miles at \$700 per mile and the total cost thereof would be \$17,500 for the 25 miles.

Now turning to the expenditure under "maintenance and general staff" in St. John's and the outposts, including all the operations in the service, all the clerks from the messengers up, the superintendent and every official employed by the Department, the repairers and extra help—in a word all the expenses of maintenance and operation of the Postal Telegraph we find the total for the five years from 1908 to 1913 inclusive, to be, in round numbers \$350,000, or an average of \$70,000 per year. In comparison to the total earnings of the system this is excessive. It really represents for maintenance and operation alone fully 50 per cent. of the total earnings of the whole service as shown in the P.M.G.'s reports. This in itself constitutes a scandal and calls for thorough scrutiny by the Government.

Summarizing the cost under the following headings, which comprise the main expenditures of the system, we find the following result:—

900 Miles on Land Line	\$140,000
25 Miles of Cable	17,500
Maintenance and Operation	350,000
Total for five years, 1908 to 1913	\$507,500

Deduct this amount from the grand total under the general head of telegraph expenditure which I approximated at \$700,000 for the five year period and we find in round numbers the sum of \$192,000 disposed of under the elastic and mysterious heading of "telegraph contingencies," or an average annual expenditure under this head of \$38,000. Can the Hon. Colonial Secretary give the House any explanation as to what became of this annual expenditure on account of telegraph contingencies in the face of the enormous expenditures under the general heads of this Department?

Turning now to individual expenditures, or expenditures under particular headings, we find from the statements tabled in answer to my questions and those of last year that cable laying in this country under the management of the present postal officials holds

the world's record for extravagance. For the five year period, with which I am dealing the published accounts show that the cost of 25 miles of cable is roundly \$80,000 or an average cost per mile of not less a sum than \$2,000. Yes, \$2,000 per mile to lay Government cables in this country. I do not wonder that hon. gentlemen opposite start in amazement at this statement. I do not believe that this grave scandal has been fully realized by the Colonial Secretary or by the members of the Executive and I will not do them the injustice to say that they have been, up to this moment, cognizant of it, though they ought to be. But I now make the statement that the cost of laying cables in this country during the five years from 1908 to 1913 was in round figures not less than \$2,000 per mile whereas a liberal estimate for such work would be, I am creditably informed, about \$700 per mile. Further comments from me upon this matter are not necessary to impress upon the Government that there is something rotten in the management of the Postal Telegraph Department.

Why are such scandalous waste of the public funds permitted? And it should not be necessary for me to intimate to the Hon. Colonial Secretary that a clear and unequivocal explanation of this waste is due this House and a thorough and impartial investigation of the Department due the taxpayers of this country whose sweat contributes to the revenue thus recklessly squandered.

Turning now to matters which, I regret to say, necessitates the reference to postal officials by name and to men employed by the Department to perform work, we find that there have been a rather loose and, what may, to the average man outside the charmed circle of public offices, appear dishonest manipulation of expenditure in vogue in the Postal Telegraph Department.

I will give the House a few examples of what I refer to.

Last year in answer to a question we were informed that the Superintendent was engaged at postal telegraph cable work outside the city from 1910 to 1913 inclusive 26 weeks and for his personal expenses he was paid an average of \$2.38 per day. By peculiar expenses is meant board and lodging. For this work we were told that he also received as extra pay \$100, or one month's salary, that is over his regular salary.

We were also told that Mr. Veitch was engaged at same work and that his expenses were \$2.00 per day and that he received over and above his salary \$75.00 or one month's pay for this extra work.

In answer to questions for further particulars this session regarding these expenses we have been informed that Mr. Stott and Mr. Veitch received two months pay instead of one as stated last year. Mr. Stott received \$200.00 and Mr. Veitch \$150.00. The an-

swer given last year was therefore not correct in this respect, and there was no apparent reason for withholding the facts unless it was to conceal the extra payment for which there does not appear to be any justification in the face of the fact that these officials' salary and full expenses were paid for the time they were occupied at this work.

If they were paying other officials to perform their duties while they were absent there would be some justification for the Colonial Secretary's liberality towards them. But that was not the case, and the work of their Department was being attended to by the regular staff, none of whom, I understand, received any extra remuneration for the extra work thus imposed. And in view of ease with which the postal officials make such mistakes in their answers to questions asked by this House in regard to postal matters we have no reason for much confidence in the correctness of the answers so far given, and perhaps a little further probing will disclose that still further extra payments have been made to Messrs. Veitch and Scott for the performance of the duties for which they are being paid under regular salary.

Now I wish to draw the Colonial Secretary's attention to a transaction which calls for elucidation. On the authority of the honorable gentleman we are informed, as stated before, that Mr. Stott's expenses averaged \$2.36 per day for the time he was occupied at cable work from 1910 to 1913 inclusive. We must assume that he stated the facts. Well, Sir, within that period the Burgeo-Ramea cable was laid. In connection with that work the Government steamer Fiona was employed forty-five days. Mr. Stott during that time was boarded on that ship at the expense of the Government, no payments for food was made by Superintendent Stott on board the Fiona. No payments for food was made by him to anybody for the time he was on board that ship. I have gone to some trouble to ascertain the facts in this case because it is one which calls for stringent action on the part of the Government if Superintendent Stott cannot make a better defence than he has thus far been able to do, notwithstanding that the questions bearing on it have been in the possession of the Colonial Secretary since the 16th of April the answers have not been tabled.

We find that Superintendent Stott took his meals on board the Fiona for fifty-three days and that during that time he put away no less than 236 meals which averages four per day, leaving very little room for dining anywhere else. And for his board and lodging covering that period we find, according to the statements tabled in this House, that he put in bills and received from the Department the sum of \$130.00 or over \$2.40 per day.

Mr. Veitch also was engaged with Mr. Stott and he also took his complement of meals on board the Fiona, and he also was paid a sum, the exact amount we have not been able to ascertain, for board and lodging.

John Doyle also, was with them and he too took his meals at the Government's expense and he too was paid from the Postal Telegraph Department the sum of \$86 for board and lodging.

Mr. Stott and Mr. Veitch cannot, as in the case of Notre Dame Bay cable expenses, explain away awkward amounts by saying "paid." We find that these officials dined on board the Fiona to the following extent:

David Stott, 236 meals, during fifty-three days—about 4 meals a day.

George Veitch, 165 meals, during thirty days—about 6 meals a day.

John Doyle, 228 meals, during fifty-three days—about 4 meals a day.

And notwithstanding this fact the Government have paid these men at the rate of Two Dollars and over per day for board and lodging.

I have been informed that the Colonial Secretary was not aware of this state of affairs and I make this explanation in justice to him as otherwise it may appear that he was a consenting party to this steal. But he is now aware of it and the House and the Country will look to him to see that the offence will be dealt with in a manner that will be satisfactory to all.

If this condition of affairs exists to any extent it constitutes a grave scandal, and one which the Government cannot condone. If these men have received payment in the manner and under the circumstances here stated it cannot be termed by any name other than obtaining money under false pretences, defrauding the revenue by a system of false vouchers.

What steps the Colonial Secretary will take I know not. But, that he can ignore the matter is beyond belief. The same course was followed in the matter of other cable laying when the "Baleine" was under charter and these men also lived on board her at the Government's expense. But enough has been said to justify an enquiry into the management of the Postal Telegraphs.

Another matter to which I wish to draw attention is certain payments made by the postal for work by outsiders. We find that T. J. Kennedy was paid \$124.00 for unloading cable from one of the Furness steamers. This is really a new departure as all steamship companies have to place cargo on the dock unless specially agreed otherwise, and in practice they do not make such agreements for the handling of freight but charge sufficient freight per ton or measurement or otherwise for carriage and handling.

In what does a cable differ from other freight? Why should there

be a special stevedore employed to unload it? Perhaps there is a satisfactory explanation of this. But there cannot be any satisfactory explanation of the payment of \$124.00 for the work of unloading 10 or a dozen miles of local cable which is as easily handled as so much haws.

I have endeavoured to get at the cost of this work and from all I can learn \$100.00 would be extravagant to pay for it. One well acquainted with stevedoring work informs me that he would do the job for Fifty Dollars and make a Ten Dollar Bill of it. Yet the Postal paid \$124.00 for that work. Something here demands the attention of the Colonial Secretary.

Then we have C. F. Lester paid the sum of \$200.00 for loading from the Empire wharf into the hold of the "Baleine" the same cable. One of the Postal Telegraph repairers of many years experience has stated that he could have done the work for Fifty Dollars and make a week's pay out of it after paying his help at the rate of 20 cents per hour. Yet the Postal pay Mr. Lester \$200.00 for that job. Will the Colonial Secretary justify this, and if he does not, his duty demands that he shall investigate it.

Then we have \$77.00 paid to a Government operator at Curling in addition to his regular salary, and when particulars are demanded we are told it was for building cable houses. The indecency of this other such transactions call for searching investigation.

We have been shown that Capt. English of the "Fiona" was paid \$120.00 and his crew a full month's salary for the time they were lying on their oars waiting to lay the Ramea cable. What justification has the Colonial Secretary to offer for this extraordinary proceeding? It is a positive disgrace and no circumstances or excuses can justify it.

We have been refused particulars of such payments as the following:—

Mr. Moulton, for "Duchess of Cornwall," \$200.

Paul Bernard, motor boat, \$225.

Hire of schooners, \$855.00.

Rope and Provisions, \$718.87.

John Penny and Sons, \$418.14.

All these amounts charged to Ramea cable and particulars withheld from this House notwithstanding repeated requests by me for the same.

Then there are other minor payments which bear the impress of "political jobbery," such for instance as \$175.00 to Captain Murrell for loss of contract.

And there is another feature of the Postal extravagance. The matter of supplies. Here is one bill charged by Superintendent Stott to the Postal:—1 overall jacket, 2 guernseys, 1 oil overcoat, 1 sou'wester, 2 pairs of pigskin gloves, 3 pairs of towels, 6 cakes of toilet soap. And yet the Government pays \$2.00 per day for the personal expenses of these officials when they go out on extra work. We

have here a bill from Mr. Hennbury of Beaverton which is a sample of what the Government is permitting.

The payment of \$150.00 for Hennbury's horse is another scandal which the Government has not taken the trouble to investigate. It has been stated in this House that Hennbury's horse was not engaged at Postal work when it was lost and yet the Government has permitted the payment of \$150 to this man on a claim of this nature.

Other irregularities I may enumerate of similar character to those referred to but I submit I have disclosed enough to justify an investigation.

The supplies department of the Postal is said to be a cloak for abuses of an extensive nature. From investigation I have ascertained that the Government have paid for poles which were tendered for at four inches in the top and which were delivered far below that measurement. It is freely stated by people who are in a position to know whereof they speak that the Government during the past ten years have paid for poles that were never cut off the stump, have paid for poles not up to the specifications contracted for, have paid for the distribution by railway of carloads of poles which the contractors should have paid. I cannot vouch for these statements but I have asked for information from the Colonial Secretary's Department concerning these very matters and there have been ample time for the hon. gentleman to table them but they are withheld. Perhaps the hon. gentleman can say why?

Finally notwithstanding the enormous expenditure on account of Postal Telegraph it is undeniable that the service has been disgracefully inefficient. The interruptions which were referred to here a few days ago by Mr. Coaker was but an example of general conditions.

The condition of the lines all over the system has been disgraceful. Take the record of interruptions for 1910 which show nearly 200 interruptions from January first to November 30th is but an example of general conditions.

And what happened in 1910 has happened every year and it was no better in 1914 than in 1910 notwithstanding the large outlay on account of maintenance.

Repairs have been sent to Northern and Western Districts to do work with gangs only to find insufficient material to do the work and in some cases none at all, and men under pay kept idle for weeks.

As an instance of this no later than last fall a foreman and gang was sent on the St. Anthony branch and when he reached there found no poles for the work between West Brook and St. Anthony. Other instances of neglect to place supplies can be given if necessary.

In places repairers have rejected the poles placed for line building

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