

In their criticism the two commissioners say: "The work proceeds in a lumbering, haphazard way, giving rise to constant blundering and confusion. There is no sign visible of a single directing head or an intelligent purpose, unless it be that of spending as much money as possible. Zeal for economy and good management, or pride in the work is not visible. Perfunctory and mechanical discharge of the duties is the rule, with apparently no perception of any need of improvement."

"The lack of organization and of organizing power in the department has recently been very conspicuously and painfully illustrated by the fact that the accountant's or book-keeping branch had apparently fallen into such confusion that expert accountants had to be called in to put things to rights and create some intelligible system. After months of work by these highly paid experts the result has been at least greatly improved books as far as mechanical form is concerned, but probably little else; and this achievement has been accomplished at an almost fabulous expense."

"There is not only a lack of efficient organization and method in the department, there would also seem to be a lack of conscience. In connection with the enormous expenditures which are deemed necessary the word "discount" never appears. It is placidly assumed that there is no such thing; but the whole commercial world knows otherwise. If no one gets any benefit from trade with the Government except the trader, then it must be clear in these great purchases made for the Government, without discount, its officers must be assisting the trader to get better prices from the Government than he can get anywhere else; for everywhere else he has to give discount. In other words, some of the Government's officers are serving two masters and apparently succeeding with both, Scripture notwithstanding."

"It seems amazing that this question has never been courageously faced and dealt with. There is evidently a power in the hands of responsible officers of some of the departments which they can exercise without the necessity of giving any account of it and with the most demoralizing consequences all round. It is certain that under such a state of things it must be impossible to develop high character in the service, or rather to prevent the deterioration of what character there is." (Page 34).

THESE ARE ILLUSTRATIONS

One officer is quoted as stating that a saving of \$25,000 per annum might be made in lighthouse expenditure by the Quebec agency alone. Again it is reported that \$3,000 to \$10,000 a year might be saved in one agency by buying at wholesale instead of retail rates.

The lighthouse board in two years approved of applications for aids to navigation amounting to \$1,691,813. The Commissioners say that this board "has been the means of greatly increasing the expenditure of the department, and much of the increase has been wasted." (Page 36).

Among the matters mentioned is a large purchase of goods from "young Willie Walsh," representative for a Montreal firm recommended to the Quebec agency by two ministers, including the Minister of Marine. The result was that the department was overstocked, and the minister told the agent "to keep the goods and try to get rid of them to the best advantage." (Page 76).

P. E. Perreault, of Quebec, sold fire extinguishers. The agent at Quebec was ordered to buy from him what he wanted. Perreault was afterwards em-

ployed by the Government, and the department took all his stock off his hands. Then it was discovered that the department had bought \$9,000 worth of chemical extinguishers from another friend the year before, and had apparently forgotten all about them, though quantities were still stored awaiting demand. (Page 79).

There is a statement from the director of the Sorel ship-yard that the prices paid by the Government for supplies purchased at Quebec averaged fifty per cent higher and sometimes 100 per cent above that paid by the Sorel shops.

DEALINGS WITH WILLSON

Strong suggestions of corruption and favoritism are made by the commissioners respecting the dealings of the Government with the International Marine Signal Company of Ottawa, of which Mr. T. L. Willson is President. Mr. Willson established the business as a private concern, which was incorporated in December, 1906.

He had a patent for automatic low pressure acetylene gas buoys, and offered one for test in August, 1904. The department was quick to decide that they were better than anything else. In October, 1904, an order was given for 46 of these buoys at \$2,000 to \$5,000 each, \$148,000 altogether, with Willson's imported material free of duty. There is fine sarcasm in the language of the commissioners on this transaction. They say:

"This was a good beginning for Mr. Willson, and with the splendid facilities extended him by the department he has not been slow to better it. It may seem that in taking up with the new idea so largely and so suddenly the department were hardly acting with the prudence required by the circumstances. New ideas are not apt to reach a perfect development all at once, and the most ordinary consideration would seem to have called for more caution." (Page 153).

The Royal commissioners observe that the lighthouse commissioner was "animated by very progressive ideas". Larger and more expensive types of buoys were introduced, and in July 1905, the recommendations of Mr. Fraser, endorsed by Mr. Prefontaine, called for \$360,000. Mr. Willson is represented as dominating the department, and addressing letters to the Marine and Fisheries agent at Halifax "in a style pretty much as if the latter were an employee of his own." The \$360,000 order was given without an order-in-council, and, according to the Royal commission, "without apparently knowing where the buoys were required." (Page 156).

Captains of Government steamers and local departmental agents explained in vain that these large and costly buoys were unnecessary and unsafe. The commissioners charge that the department "pretend" not to understand. Buying goes on. The agent at British Columbia, repeatedly begged the department to forward no more until these were placed. Yet nine more were ordered within a week and then ten more within a few months. These cost \$5,000 each, and were rushed forward until 10 beacons and buoys were on the C.P.R. wharf at once. After the agent had done his best to place them he had seven spare buoys on hand. The commissioners observe:

"The department is evidently determined to make the B.C. agency a dumping ground for all the buoys Willson can wheedle them into buying whether they are wanted or not." (Page 163).

Commissioners Fyfe and Bazin describe this