

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) pointed out that the House would have a further opportunity of discussing all these items when the Re-appropriation Bill was brought in, and also when the Loan Estimates were under consideration.

The item was then put and passed, and progress reported.

The House adjourned at eleven o'clock, p.m.

LEGISLATIVE COUNCIL,

Friday, 13th April, 1888.

Auditor General's Report on the Public Accounts: Diversion of Votes—Contract for Fremantle Post Office—Appropriation Bill: third reading: Agreements between the Government and the Director of Public Works, the Superintendent of Works, and the General Manager of Railways—Re-appropriation of Balances of 1884 Loan: adjourned debate—Adjournment.

THE SPEAKER took the Chair at seven o'clock, p.m.

PRAYERS.

AUDITOR GENERAL'S REPORT ON THE PUBLIC ACCOUNTS.

MR. SHOLL, in accordance with notice, moved: "That an humble address be presented to His Excellency the Governor, informing His Excellency that this Council, having fully considered the Auditor General's Report, is of opinion that it is highly irregular that sums voted by the Legislature for special purposes should be diverted to other objects or supplemented from other votes; and is also of opinion that the Government should endeavor to carry out the provisions of the Audit Act in the spirit as well as in the letter, more especially as regards amounts carried to Suspense Account, as pointed out by the Auditor General in his Report." The hon. member said his object in bringing this mat-

ter forward was in consequence of two paragraphs which he found in the Auditor General's report on the public accounts for the past year. He thought that when irregularities under the Audit Act were brought prominently to the notice of the House—whether the Auditor General was in the right or in the wrong—it was the duty of the House to consider his report, and to express an opinion upon it. The Auditor General, referring to what he called the manipulation of amounts voted by the Legislature, said: "It appears to be supposed that when there is not a sufficient sum to cover the payment to any officer appointed, for instance, on the fixed establishment, the money required may be disbursed from a sub-item of contingencies; but it must be borne in mind that the amounts voted by the Legislative Council are for a specific purpose, and, if an overdraft is likely to occur, it must be shown accordingly." He thought the Auditor General was quite right in bringing such an irregularity as was here referred to, before the attention of the House. Although the items where this were done, as shown in the report, might be small, still the principle involved was the same as if the items were large ones. True the Colonial Secretary, in commenting upon the report, said: "With regard to the paragraph bearing this heading, I may remark that the Auditor General, being called upon to specify the cases of 'manipulation,' has only been able to give two instances. In one of them a payment was wrongly classified, owing to the Auditor General having kept the papers in his office without bringing to Your Excellency's notice the objection, which he only now states, that he entertained to a minute of the Executive Council, advising that an excess on the Cossack Lightkeeper's salary should be charged to 'Incidentals, Harbor Department.' In the other instance, a payment to a medical officer for doing duty for five days at York, while the Government medical officer was detained in Perth as a witness at the Supreme Court, was wrongly classified, on the 29th December last; the Auditor General not receiving the papers till after the close of the financial year, it was impossible to rectify the mistake. These two instances appear to

“be the sole foundation for the Auditor General’s statement, since a third “is no instance at all, the Auditor General’s opinion having been upheld by “Your Excellency, and acted upon.” It was well known that the Audit Act never contemplated that sums voted for one purpose should be applied to another purpose altogether, or that salaries should be paid out of “incidentals.” If that sort of thing were allowed to go unchecked the Government might increase salaries wholesale, without coming to that House at all. It was very evident that the Executive had not studied the Audit Act, or else they must have known that they were acting contrary to the spirit of the Act when they paid the salary of a lighthouse keeper out of the vote for “incidentals,” in connection with the Harbor Department, or when they paid Dr. Dunlop, who was acting for Dr. Thomson, at York, five days salary, and charged the amount to the item “Medicines and Surgical Instruments.” When the Government began to pay salaries out of such votes as these he thought it was about time that some notice should be taken of it. Another paragraph in the Auditor General’s report dealt with the Suspense Account. “Notwithstanding,” he said, “the remonstrance made in my report of 1886, “I find that this evil has been greatly “aggravated during 1887. Upon examining the Statement of Liabilities “received from heads of departments, it “appears that estimated sums have been “placed to suspense for expenditure on “services other than those for the year “1887, which is in direct opposition to “the spirit as well as the letter of the “Audit Act. These remarks apply more “especially to Public Works and to the “Postal and Telegraph Department, “which in the latter case is entirely a “new feature in the account, as I never “recollect any monies placed at suspense “for that department before. Under “existing Regulations for the purchase “of stores from England, the actual “issues from the Colonial Store during “each financial year are chargeable to “votes, and the revenue is thereby applied to ‘such services as shall come in “‘course of payment during the year.’ “In cases where lump sums of requisitions are charged against votes, by

“being carried to the credit of the “Suspense Account, an infringement “of the Appropriation Act takes place, “because the supplies thus obtained “carry on the department during the “subsequent financial year.” It was well known that this was not the first time that the Auditor General had drawn attention to the large amounts annually placed to Suspense Account. The 14th clause of the Audit Act was clear enough : “Every vote for any specific item which shall be appropriated to the public service for any year, no portion of which shall have been expended during such year, shall lapse, and shall not be issued or applied in any future year.” Provision was made that, in the event of a liability having been incurred on a contract, and the work was not finished at the end of the year, the unexpended balance in respect of such contract might be carried to Suspense Account. But that was only in cases where a liability had been incurred ; and there had been cases where contracts had been taken as late as the 24th December, in order that the money might be carried to Suspense Account. He hardly thought it was ever contemplated by that House that a contract should be accepted within a day or two of the close of the year, so as to prevent a vote lapsing, and to allow it to be carried to Suspense Account. He was sure that was never the intention of the Act, nor of the Council in passing it. He could see a great many more items which he thought the Auditor General might have challenged. For instance, under the head of the “Volunteer Department,” p. 71 of his report, hon. members would see a sum of £200 voted last year for an Easter Encampment, and there was a sum of £161 under the same head carried to Suspense Account. Knowing there was no Easter Encampment held last year, and that this amount had been carried to Suspense Account, he asked the Colonial Secretary what had become of the money, and the answer he received was that it had been returned to general revenue, to the best of his belief. The Colonial Secretary was speaking from memory at the time, and he now found the money was carried to Suspense Account and, in addition, there was a vote of £200 taken for an Easter Encampment, although no such encampment

was held. There was a field-day, but no encampment. But if they looked among the same items, a little higher up, they would find a separate vote for field-day expenses. He had a return before him showing how these two amounts of £161 and £200 had been expended, and he thought he could not do better than read the items. Hon. members would see how the vote for Easter Encampments had been "manipulated"—to quote the Auditor General's expression. The £161 which had been carried to Suspense Account was subsequently spent in the following way:—20 tents complete, 2 double complete, £91; 1 do. officers, mess, 6ft. 6in. ridge, £29; 3 stoves, camp cooking layers at 56s., £8 8s.; 1 tent lavatory, large, £9 1s. 6d.; 1 telescope for rifle ranges and field use, £8 18s. 6d.; freight, &c., £14 12s. Total £161. What, he asked, had a telescope for rifle range to do with an encampment? Again last year £200 was voted for an encampment, which was not held, and the money was spent as follows:—Allowance to Geraldton and Northampton towards Easter Encampment, £24; Randell, Knight, & Co., Hire of steamer, £6; Joyce Bros., work done on Albion grounds, £1 19s. 6d.; Beattie, Jas., supply of refreshments, £90; marching allowance to corps, £21 17s. 3d.; horsing guns Perth and naval artillery £12 17s.; lapsed £43 6s. 3d. Total £200. He thought the sum of £90 for refreshments, for one day, was rather a heavy item. The only legitimate item in the return was the allowance of £24 to Geraldton and Northampton towards an Easter Encampment which they seemed to have had up there. None of the other items were fairly chargeable to this vote, and it was a wonder to him that the Auditor General had allowed this expenditure to pass without challenging it. The money was voted for an Easter Encampment, and it was contrary to the letter and the spirit of the Audit Act to have spent the money in this way. There was another small item, on page 26, where a sum of £37 10s. was paid to a telegraph operator in excess of the vote for his salary. It was only a small amount, it was true; but the principle was equally vicious, whether the amount was great or small. On page 37 there was another irregu-

larity, under the head of "Incidental Expenses," including coal, fuel, and oil for steam launch, £150. When the Supplementary Estimates were brought forward this £150 was struck out as not being required, but the Auditor General said that, afterwards, certain unforeseen expenditure was incurred, and there was actually an overdraft. As we had no steam launch, he had called for a return showing how the money had been expended, and when he examined that return, he was astonished to think that the Auditor General had allowed such expenditure to be incurred, without calling attention to the irregularity. He submitted this was not the way in which the Audit Act ought to be carried out—votes for specific purposes being applied to purposes altogether different. It would have been unnecessary for him to have made these observations if the Government intended bringing in an Excess Bill to legalise this expenditure; but it appeared they did not intend doing so. He noticed that the Government last year had expended £3,940 16s. 10d. in excess of the vote of that House, out of which only £1,800 had been sanctioned by the Finance Committee, leaving a balance of £2,140 which had been expended without any legal authority. He thought the proper thing for the Government to have done would have been to have brought in a bill to confirm this expenditure. He hoped he had now said enough to convince the House that there was good ground for bringing forward this resolution, and he thought there was nothing in it to which anyone could take exception.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) thought the House ought to be obliged to the hon. member for the very intelligent way in which he had got up his case. He was sure the Auditor General would have been flattered with the hon. member's remarks, and the discoveries he had made of the many shortcomings on the part of the Government which had escaped the attention of that officer. The Government, he assured hon. members, had endeavored to adhere as closely as possible to the Audit Act and also upheld in every way the authority of the Auditor General. It would be seen on reference to the minute which

was attached to the Auditor General's report that, as soon as the report reached him, he caused inquiry to be made as to the items particularised, as having been "manipulated," and it was ascertained that there were only two small departmental matters for which there was any ground whatever for alleging that there had been any irregularity. With regard to the lightkeeper at Cossack, it was found impossible to obtain the services of a man, unless they paid him additional salary, and the Government could not have allowed the light to be abandoned; and the department had to arrange the best way it could, under the circumstances, and provide the additional salary. The additional expense was simply unavoidable. The same remarks applied to the sum paid to Dr. Dunlop, who acted for a few days as Dr. Thomson's *locum tenens* at York, when that officer was called to Perth to attend the Supreme Court. The Government could not very well have left the district without a medical officer, and, unfortunately, the item was wrongly classified. These were the only two instances which the Auditor General had been able to discover; and he could not pretend to go behind the Auditor General and his report. The Auditor General was a most careful officer, and his department was admirably managed, and the two cases in point showed how closely he watched the public expenditure. He could not pretend to go behind the Auditor General's report in these matters, and therefore he was unable to follow the hon. member in his own unofficial investigations. The Government, he assured the hon. member, did its best to carry out the strict provisions of the Audit Act, and to adhere to the votes of that House. With regard to the Suspense Account, he had himself, in a minute attached to the Auditor General's report, taken the entire responsibility, as regards this matter, last year. The minute, which was addressed to the Governor, was in these words: "*Suspense Account*.—I thought it best, during "Your Excellency's recent absence from "the colony, to order the amounts in "question to be set aside to cover out- "standing liabilities, rather than to carry "the sums forward and fictitiously swell "the apparent balance at the end of the "year. If another course is desired to

"be followed in this matter, care should "be taken not to allow it to be supposed "that the balances in Chest are dis- "posable and free of liability. Some years "ago considerable misconception and "difficulty arose from this." It would be in the memory of hon. members how in former years considerable confusion arose over this matter, when it was afterwards found there were outstanding liabilities against moneys which had been carried to revenue. He was entirely with the hon. member in his desire to have the Audit Act upheld, but he really thought that in this instance they had a case of the mountain having labored, and brought forth a very small mouse. The only two instances upon which the Auditor General had managed to challenge the expenditure of the Government were, as he had already explained, cases which the Government could not control, and the expenditure was absolutely unavoidable. He could not see the utility of the House passing this resolution. The Government were perfectly alive to the necessity of keeping their expenditure within the limits of the votes of that House, and of keeping every item for the object to which it had been dedicated.

MR. SHOLL: How about the Easter Encampment vote—will the hon. gentleman explain that?

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said he had no reason to believe that the vote was not expended for the benefit of the Volunteers, in affording them a certain amount of drill and field exercise, although there was no actual encampment held at Easter.

MR. HENSMAN did not think it would be polite towards the hon. member who had brought forward this resolution, and done so in so able a manner, if some of them at all events did not make a few remarks upon it. He thought the House could not be too much indebted to any member who looked into these matters of finance, because they were very dry, and very few members cared to go to the trouble of looking into them, and it was possible that every member was not able to follow them up, so as to bring them forward in a clear manner. They knew that, under the present constitution, the control of the public purse or the public expenditure was the one great power which that House had; and

when they considered that the Auditor General had very important duties, and very anxious duties, and very responsible duties to perform, he thought it was the duty of that House to support him, when they found him apparently doing his best to see that the Act which instructed him was properly carried out. He thought they would not be doing their duty if they did not notice his report. These statements of his appeared to intimate that there was more behind than he seemed to say in so many words. The "manipulation of amounts voted by the Legislature" was a very expressive phrase, and it appeared there was an impression that if an amount was not sufficient to cover the payment of salaries, the money required might be taken from some other item. The Auditor General gave two or three instances in point, and the hon. member for the Gascoyne had given another instance; and, although the Colonial Secretary said he would not go behind the Auditor General's report, that was no reason why that House shouldn't. These were matters of great importance, and he had some doubt whether the Auditor General himself was fully aware of the independence of his position. That officer, whether he knew it or not, was in a position of great power and independence; in fact, his position as regards the Executive was to a certain extent analogous to the position of the Judges. He was not subordinate to the Executive. The Audit Act put him in a position in which it was his duty to look into these money matters. The Act said: "The Auditor General shall audit all the books of the Treasurer monthly, and shall, in the first place, ascertain whether the computations are correct, and, in the next place, whether the moneys mentioned in the same, respectively, have been carried to the proper heads of revenue and expenditure, and were legally available for and applicable to the service or purpose to which the same are charged." Not only was this the law as laid down by this Act, but it had been held that neglect to perform such duties was a misdemeanor. The Act went further, and provided that "every vote for any specific item which shall be appropriated to the public service for any year, no portion of which shall have been expended during such year, shall lapse, and shall not be issued or applied in any

future year." Nothing was plainer than that. The Act clearly defined the duties of the Auditor General, and, if he neglected to perform his duties, he was, according to common law, a misdemeanant, and might be indicted for it. He spoke not without authority—the authority of the Secretary of State, who had so informed the Governors of colonies. He thought it was right that the Auditor General should know that that House understood his position, and that he was violating his duty if he passed a single item of expenditure which, in his judgment, was not authorised by the Audit Act, even although he should be ordered to do so by the Governor, backed by the Executive. That being so, he thought it was the duty of that House to support the Auditor General when he did his duty. Hon. members, some of them, did not know how difficult it was perhaps for an officer to stand firm and resist the Executive authority, in a Crown colony like this, and he thought it was very manly on the part of the Auditor General to raise his voice against illegal expenditure as he did in these reports. It was true, as had been stated, that the items were small items; but that did not alter the principle. That House would carefully watch that things were not done irregularly, even on a small scale. He thought the explanation in some instances rather aggravated the offence; and whatever might become of the motion, he intended to support it. He hoped the Auditor General fully understood his position. He affirmed, on the strength of the Audit Act and on the Secretary of State's despatches, that *de facto* the Auditor General was above the Governor and everybody else. He hoped, whatever became of this resolution, that officer would understand that that House would always support him, so long as he did his duty; and, if he took a firm and independent stand, they would always say he was a worthy officer.

THE COMMISSIONER OF CROWN LANDS (Hon. J. Forrest) thought that the fewness of the instances of irregularity mentioned by the Auditor General showed very clearly that the Audit Act was being carried out very carefully in this colony. It must be remembered that this was a very large colony, and that the Government had officers em-

ployed in places a long distance from head quarters, and that it need not be wondered at that some of these officers, who had the administration of votes, should occasionally classify them wrongly, and that the Auditor General should have to set them right. He had himself on more than one occasion stated—not perhaps in that House—that if we had an obstructive Treasurer and an obstructive Auditor General, we would never get any accounts paid. That perhaps was going too far, but we certainly did not want either an obstructive Treasurer or an obstructive Auditor General, to find fault and carp at every little item that might happen to be classified wrongly, in distant parts of the colony. We wanted the Auditor General to take a liberal and proper view of the intention of the Legislature. As to the Suspense Account, he had not been able to follow the hon. member's remarks very clearly. In the early days of the Audit Act they were not so wise and so particular as they were now; and every year the provisions of the Act were being more stringently carried out, and no vote was carried to Suspense Account unless a contract had been entered into before the expiration of the year, by which a liability was incurred. The Audit Act itself provided for this being done. The hon. member for the Gascoyne had referred to the fact that there was no Easter Encampment last year. The fact remained that the Volunteers had a field-day, and they could not have a field-day without incurring expense, when they had several hundred men to provide for. The hon. member was not the head of a department, otherwise he would have known the difficulty of carrying out this Audit Act strictly, however anxious one might be to do so. There was no desire on the part of the Government to evade its provisions in any way avoidable. He did not blame the Auditor General for reporting any irregularities that might come under his notice—the more he reported the better; no harm could come of it, for if a system or a department would not stand the light of day, there must be something wrong with it. But he thought that, before a raid was made upon these excess votes, they should be reported to the head of the Executive, in order to give him an opportunity of

inquiring into them. That course did not appear to have been pursued in the instances referred to by the Auditor General in his report.

MR. PARKER said it must be gratifying to those who took an interest in the passing of this Audit Act, and especially to His Honor the Speaker, who, as a private member, took such active steps to have it introduced, to find that hon. members were beginning to appreciate the benefit of the Act. On several occasions he had heard it said that it was a great mistake to have passed such an Act, and that all the responsibility should rest upon the Government. Hon. members, some of them, would remember the difficulty they had in passing the Act, how it was vetoed by Governor Robinson, and how they addressed the Secretary of State on the subject, and how the Secretary of State instructed the Governor to introduce an Act, giving that House full control over the public expenditure. Hon. members who recollected what used to happen in years gone by would bear him out that the Act had effected a complete revolution as regards the expenditure of money by the Government. Prior to the introduction of the Act they used to have Excess Bills for £30,000 and £40,000, the money having been expended on the sole authority of the Government, without any vote of the Legislature. Happily, that state of things had completely passed away, and they now found the Government brought to account if it exceeded any vote by a few pounds. He agreed with the hon. member for Greenough that, so far as the Auditor General was concerned, that House should support that officer as far as it could, if they wished to see the Act properly administered and the Legislature exercising due control over the public expenditure; and he thought, if the Government looked at the matter in that light, they would see no reason why this resolution should not be passed. It attached no blame to the Government; it was a mere abstract resolution, affirming the desirability of the Audit Act being strictly carried out, in the spirit and the letter. Something had been said about pressure being brought to bear upon the Auditor General to pass items which ought not to be passed; but he saw no evidence of that in the report or the papers before them. He

saw no evidence of any undue pressure having been brought to bear upon the Auditor General, by the head of the Executive or any member of the Government. That officer appeared to him to occupy a perfectly independent position, as he ought to do. He agreed with the hon. member for the Gascoyne in this: he thought the instances of irregularities, which the hon. member had himself referred to, went to show that the Auditor General had not gone deep enough into these matters, and that there were several other cases which that officer might have brought under notice where votes of public money had been diverted from what was intended by the Legislative Council. He did not know whether members were aware that this Audit Act controlled the expenditure of loan moneys as well as the expenditure of general revenue, and he thought there had been some irregularity brought to light that session in connection with some charges made to loan account. For instance, when they found that the Government had paid £1,200 for the loss of the *Cingalee*, which sank in Bunbury harbor, and charged the amount against the Bunbury railway, he thought that was a charge which the Auditor General might well have challenged. The vessel was chartered to convey rails to Bunbury, and the Government neglected to insure her, as they had agreed to do, and, the vessel being lost, they had to pay the owners £1,200 and, instead of getting a special vote for the purpose, they charged it to the Bunbury railway. He could not help thinking that if the Auditor General had properly done his duty, he should have represented that transaction, among others, in his report. He hoped that officer would bear in mind that the Act placed him in a position of perfect independence, and that so long as he did his duty fearlessly he would always be supported by that House. At the same time they expected that he would do his duty with fairness, but regardless of any pressure that might be brought to bear upon him.

THE ATTORNEY GENERAL (Hon. C. N. Warton) said there was only one feeling on both sides of that House—there could be only one feeling—as regards the action of the hon. member for the Gascoyne in this matter—that the hon. member had brought it forward simply

from a sense of public duty; and the temperate manner in which the hon. member had illustrated his position must have commended itself to the House. But the two instances relied upon by the Auditor General really did seem very trivial irregularities. The hon. member certainly labored hard to give them some importance, but he hardly thought the result was commensurate with the pains which the hon. member went to. It appeared to him they had had two very big mountains and two very little mice. One case was that of the lighthouse keeper at Cossack, to whom the Government had to pay £60 a year instead of £36 simply because they could not get a person to do the work for less. Would that House wish the Government to have abandoned that light, and possibly cause shipwreck and loss of property, if not life, for the sake of a paltry £24? The other case was that of a resident medical officer who was summoned to attend as a witness at the Supreme Court, and it became necessary to appoint a substitute, during the few days he was absent from his district. Would that House wish the Government to make no provision in such a case as that? The few pounds paid to the doctor's *locum tenens* had, it appeared, inadvertently been charged to the wrong account, and was subsequently rectified. These were the only two instances of what the Auditor General called the "manipulation of votes" which even that most zealous officer had been able to discover in the transactions of the Government, extending over a whole year. So far as the Government was concerned, they all felt so impressed with the good spirit, the good feeling, and the good sense of the remarks of the hon. member for Gascoyne, that, although they deemed this resolution altogether unnecessary, they did not intend to oppose it.

MR. RICHARDSON said he did not want to prolong the debate, but he could not help saying that he thought the thanks of the House were due to the hon. member for the Gascoyne for the very temperate way in which he had treated this subject, and also for the care and trouble which the hon. member had taken in the matter. It was one of those disagreeable tasks which very few of them cared for, and all must acknowledge

that the hon. member was prompted entirely by a sense of public duty, and that he could have had no other object but to protect the public funds. Therefore, although the instances referred to might appear trifling, and had perhaps been sufficiently explained, still it was as well that every encouragement should be given to any hon. member who sought to prevent even trifling irregularities in dealing with the public funds. Unless care were taken to check these little irregularities, abuses might crop up which all of them would regret. Although the explanation given by the Government might be sufficiently satisfactory as regards some of the instances cited, he thought the explanation given as to the expenditure of the Volunteer vote was totally insufficient, and, so far as he could see, the irregularity still remained. The Government having a sum of money on hand for an Easter Encampment, seemed to have been determined to spend it in some way or other, although no encampment was held. He thought the finances of the colony must be in a much more flourishing state than they gave them credit for, when they could afford to spend £90 in free drinks for one day.

Mr. SHOLL said it had not been a pleasant duty to him to rake up these matters and he had been impelled to do so simply from a sense of public duty. It was true he had only brought forward a few instances of irregularity, but, he guaranteed, if the Government would only allow him to go to the Treasury, and explore all those records, he would bring a great many more instances. It was a matter of perfect indifference to him whether the House passed the resolution or not. He felt that he had done his duty in the matter, and he was content with that knowledge.

Mr. MARMION said that as a member of the Finance Committee, elected by that House under the provisions of the Audit Act, he must say that, as a general rule, the Government, he believed, tried honestly to carry out the provisions of the Act. Sometimes there were difficulties which even a Government administered by the hon. member for the Gascoyne might find unavoidable and insurmountable; but he did think the hon. member was to be congratulated upon the moderation and good spirit which he had

shown in dealing with this subject. The hon. member having given publicity to his ideas, and the Government having responded to his remarks, and shown that they were desirous of carrying out the Act in its integrity, he thought the hon. member might perhaps be satisfied without pressing his resolution.

The resolution was then put and passed.

CONTRACT FOR BUILDING THE FREMANTLE POST OFFICE.

Mr. SHENTON, in accordance with notice, moved that a return be laid on the table showing the value of the work completed by Clifton and Fraser on the Fremantle Post Office up to the time they abandoned the contract. The reason why he moved for the return was that, before the work was half finished, the contractors failed, and the work was thrown on the Government; and he had been informed on the best authority that, owing to a mistake on the part of someone, the contractors were not only overpaid for the amount of work done, but also that the Works Department had neglected to keep back the 20 per cent. which they ought to have done, under the contract, pending its completion, thus causing those who were sureties for the contractors to lose a large amount of money.

The return asked for was laid on the table.

Mr. SHENTON asked whether the tender of James Kelly, for the same building, included all the work embraced in the first contract, and the same class of material?

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said the hon. member would find all the information he sought in the papers laid on the table.

APPROPRIATION BILL, 1888.

[AGREEMENTS BETWEEN THE GOVERNMENT AND THE DIRECTOR OF PUBLIC WORKS, THE SUPERINTENDENT OF WORKS, AND THE GENERAL MANAGER OF RAILWAYS.]

On the order of the day for the third reading of the Appropriation Bill,

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said that before moving the third reading, he should like to give the House some additional information on a subject which had caused some discussion when the bill was in committee. A question arose, somewhat sud-

denly he might say, as to the conditions upon which the Director of Public Works, the Superintendent of Works, and the General Manager of Railways had been originally engaged by the Government, and also as to what terms and conditions they were now employed on, or to be employed. He suggested at the time that some hon. member should give notice of motion on the subject, so that the whole question might be discussed; but that was not done, and a somewhat irregular discussion ensued. He was not prepared at the time to state the exact position of these officers, but he now proposed to lay on the table copies of the agreements between the Government and the Director of Public Works, and the Superintendent of Works. He might say, with regard to these agreements, that, in consequence of a resolution of that House, some three years ago, following upon the adoption of the report of a select committee, the Governor communicated with the Secretary of State with regard to the appointment of a Director of Public Works and Engineer-in-Chief, and also the appointment of a Superintendent of Works; and steps were taken in England for filling these appointments, in accordance with the wish of the House, the engagements to be for three years. The Secretary of State in due course notified that arrangements had been made to secure the services of two professional gentlemen for those posts, and also that he approved of the appointment of Mr. Mason, as General Manager of Railways, on similar conditions. The agreements with the Director of Public Works and the Superintendent of Works set forth that the term of their engagement was to be three years, to be extended to five years at the option of the Government, from the date of their arrival in the colony. The agreements further provided that either party to them should have power, at any time, to terminate the agreement by giving the other party six months' notice in writing, or, in the case of the Government, by paying either of the officers six months' salary in lieu of notice. The appointment of Mr. Mason was understood to be made under the same conditions, but no agreement was executed at the time, owing to an inadvertence on the part of the Government.

But he was instructed to say that, in pursuance of the terms of their engagement, notice had been given to these officers that their services might not be required after the expiration of their three years, which would be in a few months hence, but that provision had been made on the Estimates for their salaries until the end of the current year, and it was proposed that they should be continued in office at that salary, but subject always to receive six months' notice of the discontinuance of their services. The idea of the Government was—and he believed it was also the wish of the House—that there should be no disturbance at present of these agreements, and possibly they might be allowed to run on until the end of the five years. An agreement would be entered into with the General Manager and Maintenance Engineer in accordance with the conditions upon which he was appointed by the Secretary of State.

MR. SEENTON said, as the member who had raised the discussion as to the position of these officers, he might be allowed to express his obligation to the Colonial Secretary for the information he had now given to the House. It gave all that he required, which was simply to know upon what condition these officers held their appointments, so that there should be no dispute about it hereafter.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) then moved the third reading of the Appropriation Bill. He would have preferred if they had been in the same position as in former years as regards this bill, and have had it deferred until all the other work had been disposed of. But, as hon. members were aware, this year was an exceptional one, and they were now carrying on the public business at great inconvenience, being in the fourth month of the year, and no Appropriation Bill passed. After due deliberation the Government had come to the conclusion that no warrants for the expenditure of money could be signed and no requisitions approved, until they had the money appropriated according to law. He hoped hon. members would recognise the peculiarity of their position, one in which they had never been placed before, during the eighteen years he had been there.

MR. MARMION said it had been his intention to have asked the Colonial Secretary to have postponed the third reading of this bill until such time as the remaining work of the session had been got through; but, after the remarks that had just fallen from the hon. gentleman, and looking at the necessity of enabling the Government to disburse moneys that were really due, he thought it would rather display a want of confidence in the Executive, which he did not think was warranted, if they were to refuse to pass the bill.

MR. A. FORREST said he should oppose the third reading until the other business had been disposed of. This was the only power they had over the Government, and, if they let it go, they might be prorogued next day. There were two or three very important matters yet to be considered, and particularly the proposal for a railway from Bayswater to Busselton, and he hoped the House would refuse to pass this bill until that matter was disposed of. He failed to see how the Government were going to be inconvenienced very much: it was only the middle of the month yet.

MR. RICHARDSON said the Colonial Secretary had already given them an assurance that the remaining business should be fully discussed, whether this bill were passed or not, and he did not think the Governor, in the face of that assurance, would venture to dismiss them summarily. At the same time he failed to see how the Government would be much inconvenienced, after what His Honor the Speaker told them the other day, that the Government could spend the money which the House had granted, when passing the Estimates.

THE SPEAKER said, as some reference had been made to what he had stated the other day, and as it was a very important point,—whether the Government could spend money before the Appropriation Act was passed, he would read what was said in *May* on the subject: “A grant from the Commons is not effectual, in law, without the ultimate assent of the Queen and of the House of Lords. It is the practice, however, to allow the issue of public money, the application of which has been sanctioned by the House of Commons, before it has been appropriated to specific services by

the Appropriation Act, which is reserved until the end of the session. This power is necessary for the public service, and faith is reposed in the authority of Parliament being ultimately obtained; but it is liable to be viewed with jealousy, if the ministers have not the confidence of Parliament.” That was the practice, but still there was an irregularity about it; and here it was dependent upon the Government having faith in the Council eventually sanctioning the expenditure, by passing the Appropriation Act. It was customary but illegal, and it was done for the convenience of the public service.

MR. HENSMAN said that what the Speaker had just read confirmed him in the view that the proposal to postpone the third reading of this bill should be supported. It might be asked, why did they want to keep it back? For two reasons; firstly, because it had been customary to keep the Appropriation Bill back until the other business had been disposed of, and secondly, because this was the only guarantee they had that an opportunity would be afforded them of dealing with the remaining business. It did not imply any reflection upon anybody that the bill should be kept back; it was only following the same course as had been followed invariably in past years, and it appeared it would not prevent the Government from paying salaries or spending money which had already been voted. There was another reason why they should delay passing the bill: when they came to consider the railway proposals which had yet to come before them, it might be necessary to find some money, which ought to be included in the Appropriation Bill.

MR. SCOTT would oppose the third reading of the bill at present. He considered it was absolutely necessary that some public work should be started without delay, and, unless the Government were prepared to show some good reason for declining the offer of Messrs. McNeil & Co., he hoped the House would take its stand upon this Appropriation Act. It could not affect the Government whether the bill was read a third time that evening, or some day next week.

MR. SHENTON said although it had been the practice in past years to put off the Appropriation Bill until all the other business had been disposed of, it must

be borne in mind that the Government this year were placed in exceptional circumstances. The first quarter of the year was over, and the vote on account expended, and it was absolutely necessary that the Government should be placed in a position where they could legally expend such moneys as were required for the public service.

THE COMMISSIONER OF CROWN LANDS (Hon. J. Forrest) was sorry that the hon. member for Kimberley and the hon. member for Greenough were not prepared to accept the plain word of the Government, that there was no intention of proroguing the House until all the business before them was disposed of. As to hon. members talking about holding this bill as a sort of threat over the Government, let him ask who would suffer if the supplies were stopped? Did hon. members think that those who sat on that Treasury bench would be the sufferers, or would the public service and the public at large be the sufferers, if the Government were unable to make any payments? He did not think it was right for hon. members to keep back this bill, as if the Government the moment they got it passed were going to run away with the money.

Mr. VENN said he had come there prepared to vote against the third reading that evening, but, after what had fallen from the Colonial Secretary and His Honor the Speaker, he had changed his mind. At the same time he did not see why the Government should not accept the assurance of the House that the bill would be passed as soon as the other business had been disposed of.

Upon the question being put, the House divided, the numbers being—

Ayes	12
Noes	6
Majority for ...			6

AYES.
 Mr. H. Brockman
 Mr. E. R. Brockman
 Sir T. C. Campbell
 Mr. Congdon
 Hon. J. Forrest
 Mr. Marmion
 Mr. Morrison
 Mr. Pearce
 Mr. Sandell
 Mr. Shenton
 Hon. C. N. Warton
 Hon. Sir M. Fraser
 (Teller.)

NOES.
 Captain Fawcett
 Mr. Hensman
 Mr. Parker
 Mr. Scott
 Mr. Venn
 Mr. A. Forrest
 (Teller.)

Bill read a third time.

RE-APPROPRIATION OF BALANCES OF 1884 LOAN.

ADJOURNED DEBATE.

The House went into committee for the further consideration of the following item :

5.—Miscellaneous.

e. From item "Steam Launch, Fremantle," balance of £1,422 14s. 4d., and item "Steam Launch, Marine Survey, £500," together a total of £1,922 14s. 4d., to be expended on Improvements, Fremantle Lunatic Asylum.

Mr. SHENTON said as the money was originally voted for the convenience of the harbor at Fremantle, he thought, if it was not proposed to expend it on a steam launch, it ought to be spent on the jetty. He thought they ought to expend all they could scrape in extending this jetty.

Mr. SCOTT said it was most urgent that the proposed improvements should be made in the Lunatic Asylum, and he hoped the House would agree to the proposed diversion. At present there were no means of classifying the patients, and of providing for the separation of the curable from the incurable, the result being a large amount of unnecessary mental distress in the case of the former class of patients. Even as regards the incurable, too, it gave rise to a feeling which only tended to aggravate their cases. Experience had shown that a large proportion of incurable patients were even more sensitive to their surroundings than the curable who were laboring under a recent attack. Year after year, the Surgeon Superintendent had shown his desire to ameliorate the condition of his patients in every way, and, now that there was a chance of something being done in this direction, he hoped no opposition would be shown to such a desirable work. No one who had visited the institution could come away without being satisfied as to the desirability, and the absolute necessity, of these improvements. At present criminal lunatics, most of them Imperial convicts, were herded together with non-criminal patients of all classes, which it must be admitted was a very improper and dreadful state of things.

Mr. MARMION said he had been one of the visiting justices connected with this Asylum for years, and there could be no

doubt that the representations of the Surgeon Superintendent were perfectly correct. The only question was, whether it was a proper thing that money voted for harbor improvements should be diverted for the purpose of carrying out certain improvements in a Lunatic Asylum. The necessity for these improvements had been brought to the attention of the Government, years ago, when the public finances were in a flourishing condition, but the Government could not be induced to take any steps in the matter; but now when we were in extremity as to money matters, it was proposed to incur this expenditure. At the same time he should be sorry to oppose the expenditure upon this institution.

MR. A. FORREST was in favor of improving the condition of the asylum, which he considered to be a standing disgrace to the colony.

MR. SHOLL objected to reappropriate the money either for the jetty or the asylum, although, if it was a question upon which it was to be expended, he should certainly go for the asylum.

MR. SHENTON thought the amount, if it was to be diverted, should be added to the amount for the extension of Fremantle jetty.

MR. PARKER reminded the House that the matters of detail would be discussed when the bill was brought forward, and advised hon. members to delay their discussion till then.

The sub-section was then approved.

MR. SHENTON'S amendment, moved the previous night, which was deferred till all the other items had been gone through, and which had for its object the expenditure of the whole sum of £16,282 10s. 6d. on the extension of Fremantle jetty, was withdrawn, the Government promising to include it in the schedule of the bill—and the sub-section as it stood, approved.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) then moved a resolution to the effect that it was desirable a bill should be brought forward to reappropriate certain unexpended balances of the 1884 Loan.

The resolution was carried.

The House adjourned at ten minutes past ten o'clock, p.m.

LEGISLATIVE COUNCIL.

Monday, April 16th, 1888.

Petitions: Bayswater-Busselton Railway—Pearl Shell and Beche-de-mer Fisheries: Federal action—Contract for building Fremantle Post Office—Tenders for leasing Roebourne and Cossack Tramway—Message (No. 19): Assenting to Appropriation Bill—Report of the Acting Warden on the Kimberley Goldfields—Reappropriation Bill, 1888: first reading—Bayswater-Busselton Railway: Consideration of Report of Select Committee—Adjournment.

THE SPEAKER took the Chair at seven o'clock, p.m.

PRAYERS.

PETITIONS IN FAVOR OF BAYSWATER-BUSSELTON RAILWAY.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) laid on the table certain petitions from residents of Perth and Fremantle, in favor of the proposed railway from Bayswater to the Southern districts.

PEARL SHELL AND BECHE-DE-MER FISHERIES: FEDERAL ACTION.

MR. VENN, in accordance with notice, asked the Colonial Secretary whether it was the intention of the Government to take any action with regard to the introduction of a bill, at the next session of the Federal Council, to regulate Pearl Shell and Beche-de-mer fisheries in Australasian waters beyond territorial limits, in accordance with the provisions of an Act passed for this purpose at the late session of the Federal Council, but which applied only to Queensland waters.

THE COLONIAL SECRETARY (Hon. Sir M. Fraser) said it was the intention of the Government to introduce a bill to that effect.

CONTRACT FOR BUILDING FREMANTLE POST OFFICE.

MR. SHENTON, in accordance with notice, asked the Director of Public Works—

a. The value of the work not included in James Kelly's contract for the Fremantle Post Office.

b. How the mistake occurred in the over-advance to Clifton & Fraser.