NOES.

Mr. Angwin	Mr. McDowall
Mr. Bath	Mr. W. Price
Mr. Bolton	Mr. Swan
Mr. Collier	Mr. Taylor
Mr. Gill	Mr. Underwood
Mr. Gourley	Mr. Walker
Mr. Heitmann	Mr. Ware
Mr. Holman	Mr. A. A. Wilson
Mr. Horan	Mr. Troy
Mr. Hudson	(Teller).
Mr. Johnson	

Motion thus passed: the debate adjourned.

House adjourned at 10·10 p.m.

Legislative Council,

Thursday, 28th October, 1909.

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The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

BILL—PUBLIC EDUCATION ENDOWMENT.

Third Reading.

The COLONIAL SECRETARY (Hon. J. D. Connolly) moved—

That the Bill be now read a third time.

Hon. J. F. CULLEN (South-East): It was not possible for him to give a silent vote, his excuse being that he was not present on the former occasions when the Bill was before the House. He was at a loss to understand why at this stage in the history of public education in Australia there should be the movement for land endowment. As a matter of fact, this movement ran in the face of the settled policy of all the Australian States. It could only be imagined that someone had come into contact with the old world conditions, saw that land endowments had had a large part to play in the old world, and thought that a stroke of business could be done in Western Australia. Australia began with this policy, found it entirely hampering, and cast it over. One-seventh of the whole of Australia was dedicated to education, or rather to a corporation for church and educational purposes. After a time the church element was bought out and the lands were held for education, but it was found that the policy hampered settlement, brought a stigma on the administration of education, and that it would be very much wiser to absorb the lands again in the Lands Department, and control the public education from the current revenues of the countries. That change was made in the light of experience as a settled policy, and it had been the settled policy of Australia from that day to this. The Bill was the first departure from that policy. Was the House to assume that the wise men of the other States had been less interested in education, or that they had been less alive to the benefits that might be gained by trading in land speculation, for that was what the Bill provided for, land speculation on behalf of education?

The Colonial Secretary: They have it in force in New Zealand and South Australia.

Hon. J. F. CULLEN: In South Australia there was a dedication for the University of 50,000 acres, just a single purpose, and that was an entirely different matter, but for public education the whole of Australia had had this settled policy. Public education was one of the things that ought to depend on the sympathies and interest of the people from year to year. Let the House look at the question whether education was a matter on which we should trust posterity. Was posterity likely to be wanting in the matter of education? Was not interest in education growing deeper and broader year by year? Was it not essentially the thing that could be trusted to the people from year to year? Had there ever been a difficulty in carrying any

increased vote for the purpose of public education? Never. It was essentially a matter for the living interests of the people from year to year. At the present stage the Government proposed that we shall endow primary education by setting apart certain lands for that purpose. First, the machinery of the Bill was bad, and, secondly, the policy was bad. The machinery of the Bill was a jumble. These trustees to be appointed under the Bill were to speculate in land buying, selling, leasing, mortgaging, and so on, and after paying the costs the profits were directed to be paid into the Treasury. That was plain sailing; but the Bill went on to provide that after paying it into the Treasury, a portion of the money was to be invested in the names of the trustees. That was not the worst. The Bill went on to say that these trustees might directly administer those funds in the payment of salaries of teachers, which would be a complete jumble of administration. If the Government went on with the Bill, as it was presumed they would, he could not expect his protest at the eleventh hour to turn them aside. If they went on with the Bill they would have to re-commit Clause 9, and make the machinery coherent and workable. It would be preposterous to think that these trustees, after doing the speculating part, should then enter into the administration of the department by paying some of the salaries which Clause 9 provided for.

Hon. M. L. Moss: The Bill says that the money must be paid into the Treasury first.

Hon. J. F. CULLEN: Exactly. But then the clause contradicted that, and said that the trustees might apply the money in the payment of salaries. The whole clause was a jumble, and would have to be recommitted and recast. However, that was a small matter. His chief objection was that this was a bad policy and must work out badly. How would it work out? It was assumed that the lands would be handed over to these trustees. If it were in one block there might be some possibility of administering it, but, it was presumed, it would be some of the land given at the beginning as university endowments. Lands in various towns and districts throughout the State would be handed over to these trustees, that they might hold them, in the first instance, until they gained unearned increment from the enterprise of the people around; and then, perhaps, in the case of towns, build on them and lease them, and so obtain a revenue. No other way could be conceived in which the lands could be utilised. That was a bad policy. Was it good policy to appoint a trust of land speculators, glorified land jobbers, who would get pieces of land, here and there and everywhere, and let them lie until the owners around had added to the value? The local authority would have no power to touch them. These blocks of land would get unearned increment through private enterprise. This would be a bad policy and would cast a blight on the development of the place wherever that land was held. One would be sorry to own property alongside some remnants handed over to an absent authority. These neglected blocks would become places for tramps to camp on, and for jam tins to be thrown on, and so on. The absentee owner was a nuisance and must so hamper and embarrass private ownership as to be a blight on the development of the country. Even if it were a good policy, was the trust likely to do the best under the system? We might perhaps get three astute men whose experience and business capacity would be invaluable, and who might make money for the Education Department in the handling of these properties; but if they claimed pay for their work in proportion to its value they would be highly paid indeed. The whole policy was bad, and even in the best circumstances in its operations must blight and hamper the enterprise of the country. Was there any justification for going in the teeth of the wisdom of the whole of Australia? Because this was the solitary case of endowing public education. The policy had been proved and found, not simply wanting, but a blight and an encumbrance, and had been thrown aside, yet

we suddenly took it up in Western Australia in the teeth of experience gained elsewhere at such cost. Was it wise for us to do this? If we passed the Bill we would have an amending measure within a few months to right Clause 9 and a few other things; we would have a series of amending Bills.

Hon. G. Randell: I think you misinterpret Clause 9.

Hon. F. J. CULLEN : No. Before many years were over we would hark back to the wisdom of New South Wales and admit our mistake. If it be good policy, why limit it to education, why not have it for the Health Department or for justice, or for the upkeep of Parliament? If it be good to have a land speculating trust for education, why limit it to education? In a word, why should we have private enterprise at all if in the midst we were going to have, hampering and blocking it, a semi-Government trust speculating in land? Why not go the whole hog and adopt the doctrines of State socialism and hold all the land and get all the increments? Why not? Because the wise men of Australia knew it was an illusive doctrine, and that the correct thing was, while preventing monopolies, to facilitate private enterprise and to give it an absolutely free hand. Yet here in Western Australia for the first time we were going to dabble in a little bit of gratuitous State socialism. The policy was bad, and in its operation would prove entirely unsatisfactory.

The COLONIAL SECRETARY (in reply) : The remarks of the hon. member came as a surprise because they differed so much from the opinions expressed in regard to the Bill in both Houses. Without exception the second reading in both Houses had been hailed with delight, and certainly the measure was not received in the spirit in which the hon. member seemed to view it. Surely there could be nothing derogatory in the State setting aside a certain amount of land, the revenues derived from which would go to assist public education. The system was in force both for the university and public education in New Zealand where a large revenue indeed was received, and the information to hand was that the same thing was in force in South Australia. Mr. Cullen claimed it was only for university purposes in South Australia, but the information to hand said that the revenue from endowments in South Australia was used both for university and public education. Certainly one could not follow the hon. member that it was going to be a blight on or would retard public education in any way. One had to learn that the system in force in the early days of South Australia in any way retarded public education. It did not follow in the least that any Government—and Parliament would still have the same voice—was going to curtail expenditure on public education. It was wise that, while we practically gave away our lands, we should at least reserve some of them to endow public education in the future. The hon. member seemed to find fault because we did not reserve lands for all and sundry public purposes, but two wrongs did not go to make a right. If that was the only fault the hon. member had to the system there was not much in it. The House had passed the Bill through all its stages, and the hon. member had merely taken the opportunity, since he was not in the House at the passing of the second reading, to voice his opinion on the matter. However that opinion was quite averse to any of the opinions expressed in either House in regard to the Bill.

Question put and passed.

Bill read a third time and returned to the Assembly with an amendment.

BILL—PERMANENT RESERVES REDEDICATION.

Bill read a third time and *passed.*

BILL—COOLGARDIE RECREATION RESERVE REVESTMENT.

In Committee.

Bill passed through Committee without debate, reported without amendment, the report adopted.

BILL—LAND ACT SPECIAL LEASE.

In Committee.

Clause 1—Power to grant lease of B Reserve No. 2020:

The COLONIAL SECRETARY: These were the particulars promised on the previous day in regard to the terms of the lease for the building of a wharf. It was proposed to give the company 21 years lease of a piece of land coloured red on the plan on which to build wharves. They were to pay an inward and an outward wharfage of sixpence per ton. This would not relieve them of having to pay the same on the wharf at Fremantle. They would be in the same position as McIlwraith's and the Swan River Shipping Company in Perth. They would in addition pay the same wharfage as anyone else at Fremantle. They were to pay a minimum of £62 10s. a year. In the event of its being decided to extend the harbour works they must get a year's notice to terminate the lease of this particular portion. Should that lease be terminated within 15 years they would have the right to remove their wharves if the harbour trust did not buy them at a valuation. If it should extend over 15 years then the wharves became the property of the Government. Briefly, it was this. The lease was for 21 years, subject to one year's notice should the Government require the land for harbour works. The company were to pay sixpence per ton inwards and outwards, and they were not allowed to use the wharves except for their own purposes, that of bringing in phosphatic rock and sending out manure.

Hon. M. L. MOSS moved an amendment—

> *That the following proviso be added to the clause:—Provided also that nothing in this Act contained shall authorise the lessees named in the lease when executed to commit a nuisance in connection with the manufacture of the acids, superphosphates, and other agricultural fertilisers to be mentioned in the said lease.*

The COLONIAL SECRETARY: This lease was proposed to be granted from the Crown to the Mt. Lyell Railway and Mining Company, and the only reason in the first place that the Bill was brought before the House was that the company required a 99 years' lease; if they had been satisfied with a 21 years' lease then the lease would have been granted in the ordinary way under the Land Act. By inserting the proviso which the hon. member suggested, we should be putting this company in a worse position than if they leased land from a private person. A similar company to this one was leasing private land, and the owner of the private land would not attach the conditions that the hon. member sought to attach to this lease. He (the Colonial Secretary) had consulted the President of the Central Board of Health, who informed him that he knew of similar manufactures which were being carried on in the centre of London—manufactures for the supply of sulphuric acid—at Kennington, he thought, where there were some beautiful gardens alongside the factory, and the factory did not affect them in the slightest degree. That was the severest test that could be put to such a factory. If the factory did not interfere with vegetable life then there was nothing to fear. The land upon which this factory was to be erected was isolated, and it was not likely to create a nuisance. There was nothing in the Bill that would prevent the whole of the provisions of the Health Act applying exactly as they applied to all other land within the State, and there was no need to insert the provision in the Bill, because if at any time, in the opinion of the board of health, the factory created a nuisance, the board of health could deal with it. If the proviso were inserted the company would be placed in a worse position than any other person within the State. If the company leased from a private owner to-morrow they would be subject to the provisions of the Health Act as they were to-day.

Hon. M. L. MOSS: If a man leased land for a purpose of this kind without any legislative sanction at the back, the position was this, that if a nuisance was committed, any person who suffered from the commission of the nuisance could ap-

ply to the Supreme Court to restrain the manufacturer from a repetition of the act. The insertion of the proviso was to prevent the suggestion later on that if a nuisance was committed it could be said that the company had the authority of the Legislature for doing so. If a lease was obtained from a private owner and a factory placed upon the land, it was done so on the principle that the land was enjoyed but there must be no injury to another. This company would have every facility which was enjoyed by the owner of private land, but the company should not get more: they should not be allowed to make an intolerable nuisance to the public. He asked for the insertion of the proviso so that it could not be said that Parliament had authorised them to carry on this manufacture.

The COLONIAL SECRETARY: The Crown law authorities were of opinion that there was nothing in the Bill giving the company any right to commit a nuisance: therefore, if we inserted the proviso in the Bill as suggested, we would be hampering the company with something they would not be hampered with if they leased from a private person. If, as the hon. member stated, there was nothing in the Bill that contracted them outside the Health Act, why complicate the matter by adding the proviso, so that in the future if anyone brought an action they would quote the Bill. Who was to be the judge as to whether it was a nuisance or a noxious trade? Under the Health Act it was laid down what was a noxious trade and what was not. The lease had been entered into in all good faith, and the whole schedule had been well thought out. It was an excellent agreement for the State, and one he thought the Government had every reason to congratulate themselves upon obtaining. We should not complicate the matter by adding the proviso.

Hon. M. L. MOSS: It was obvious by the draft lease that Parliament had before its mind in passing this Bill that this lease was for the purpose of erecting buildings, and these buildings were to be used for the manufacture of acids, superphosphates, and other agricultural fertilisers in the way authorised. He (Mr. Moss) was only contending for what was a common thing everywhere. Where people came for a concession to Parliament it was common to say, "You can have this concession, but you must not make yourselves a nuisance to the public." If somebody purchased or leased land adjoining a house or business premises, and put up a factory there, they had a perfect right to use that factory for all reasonable purposes, but so soon as the factory was applied in such a way that it became an intolerable nuisance to the person next door, then the person could apply to the court for an injunction to restrain that manufacture being carried on. He (Mr. Moss) desired to see the work started at Fremantle, and, perhaps, some of his unthinking constituents would not thank him for what he was doing. But he was trying to safeguard the interests of the people in the district he represented, and he did not want it to be contended later on that no one had stood up in Parliament to safeguard the interests of the people.

Hon. A. G. JENKINS: Mr. Moss had given very strong reasons why the proviso should be inserted, and the Colonial Secretary had given the opinion of the Crown Law authorities that the proviso was not necessary. It was a matter of importance, therefore we should report progress so that the point could be looked into.

Hon. J. W. HACKETT: It was the opinion of the late Engineer-in-Chief that in such cases as this the law did not apply.

THE COLONIAL SECRETARY: The Crown Law authorities were of opinion that there was nothing in the Bill to prevent all the machinery in the Public Health Act applying in the same way as if the company had taken a lease from a private individual.

Progress reported.

BILL—MUNICIPAL CORPORATIONS ACT AMENDMENT.

In Committee.

Resumed from the previous day.

Clause 18—Hospitals may be subsidised:

The CHAIRMAN: Progress had been reported on this clause. The question was that the clause as amended stand part of the Bill.

Hon. F. J. CULLEN: The Minister had said that the clause was drawn up in response to requests by municipal authorities. Had there been any general request of the sort? The popular impression was that very few local governing bodies were prepared in any way to take up the direct support of hospitals. Personally he thought it would be better that the local contribution to hospitals should be a voluntary one. At the same time, if there had been any general request for this permissive power he would not vote against it.

The COLONIAL SECRETARY: The request had come from a number of municipalities. For instance it had been received from all the municipalities in the hon. member's province with the exception of Albany. Some goldfields municipalities had asked that they might be permitted to strike a rate for hospital purposes, as in New Zealand; this power, however, he was not prepared to give them. Still, under the Municipal Institutions Act the municipalities were allowed to spend their money in a variety of ways, and this was only adding to that variety. There could be no harm in giving the municipalities this power. He would be prepared to reduce the proportion from 7½ per cent. to 5 per cent. The municipalities of Narrogin and York, waiting at the present time to take over their hospitals, and not having the power to contribute to their upkeep, had asked him, as Minister controlling the department, to deduct a certain amount from their respective subsidies and pay it as a contribution to the respective hospitals until the Bill became law. Probably in no case would the contributions exceed £30 to £50. It was a power purey within the discretion of the municipal councils as to whether they should exercise it or not.

Hon. M. L. MOSS: The feature about it was that the money raised for ordinary municipal purposes was now sought to be applied to maintain hospitals. The Minister had said he was prepared to reduce the rate from 7½ per cent. to 5 per cent. Very likely he would be prepared to bring it lower still for the sake of introducing this dubious system under which the municipal funds would commence to bear the burden of keeping the hospitals going. It was well known that the property owners found practically all the money, while the representatives of the tenants constituted the municipal councils. The bulk of the councillors paid very little rates. He objected entirely to having additional burdens cast on the local bodies. The subsidies had come nearly to vanishing point and this clause would put upon the local bodies a burden they could not carry. He hoped the clause would be thrown out.

Clause as amended put, and division taken with the following result:—

Ayes	.. .. ..	10
Noes	.. .. ..	7
Majority for	..	3

AYES.

Hon. T. F. O. Brimage	Hon. W. Patrick
Hon. J. D. Connolly	Hon. G. Randell
Hon. J. F. Cullen	Hon. S. Stubbs
Hon. J. W. Hackett	Hon. G. Throssell
Hon. B. C. O'Brien	Hon. A. G. Jenkins (Teller).

NOES.

Hon. E. M. Clarke	Hon. M. L. Moss
Hon. J. W. Kirwan	Hon. W. Oats
Hon. J. W. Langsford	Hon. R. Laurie (Teller).
Hon. R. D. McKenzie	

Question thus passed; the clause as amended agreed to.

Clause 19—Power to dissolve municipality if revenue under £750:

The COLONIAL SECRETARY moved an amendment—

That in line 5 after "adjoining" the words "municipal district or" be inserted.

This was merely an enlargement of the power to dissolve a municipality as the result of a petition.

Hon. S. STUBBS: In what position would a municipality be if it were declared dissolved and tacked on to an adjoining roads board, and that adjoining roads board refused to take it, with its liabilities?

The COLONIAL SECRETARY: The question of liability scarcely entered; it was only to be dissolved if the revenue of the municipality fell below £750. The liabilities of the municipality were on the property of the municipality and would not extend to the adjoining municipality or roads board district.

Hon. S. Stubbs: Supposing I lent money to that municipality which is afterwards dissolved?

The COLONIAL SECRETARY: Such money would be very well secured. Here was a list of 24 municipalities, all of which had a revenue of less than £750 a year; in fact none of them reached £600, and in one case the revenue was only £117. That was at Cossack where there was an eighteen-penny rate. Should these municipalities with their town clerks, mayors, and officers be allowed to continue in existence? The proper course in this particular case would be to dissolve it and attach it to Roebourne. There was the case of Beverley where the revenue in 1908 was only £500, but it would surely be foolish to dissolve that municipality for it was a growing place. Discretion would have to be exercised in carrying out the provisions of the clause. At Bulong the total revenue was only £94, that being on an eighteen-penny rate, and surely that municipality should be dissolved.

Hon. J. F. CULLEN: The proposal might work very awkwardly in certain places, for there were some municipalities which had no neighbouring municipalities or roads boards. In such cases probably the Government would not take action. A good deal of discretionary power must be left to the Government, but surely £750 was an unduly high limit. A municipality with an income of £500 which properly managed its own affairs should not be summarily snuffed out. It was to be hoped the Minister would consent to a reduction to £500. He would move in that direction.

The CHAIRMAN: The hon. member could not move such an amendment unless the Colonial Secretary first withdrew his amendment.

The COLONIAL SECRETARY: It would be well to leave the amount as it stood; there was no obligation on the Minister to dissolve any municipality, and it would only be in extreme cases that this step would be taken. There would be an amendment inserted in the Bill later on to raise the rate to two shillings, so that if the amendment suggested by the hon. member were carried the amount would be very much lower than now. A revenue of £750 was not a very large one for a municipal district. If the hon. member desired he would temporarily withdraw his amendment.

Hon. J. F. CULLEN: The question was whether it was well to set forth in an Act of Parliament that no municipality having a revenue of less than £750 should exist. At the same time, however, he did not want to stand alone so would not press his suggestion.

Amendment put and passed; the clause, as amended, agreed to.

New Clause—Amendment of Section 49:

Hon. R. D. McKENZIE moved that the following new clause be added:—

> *Section 49 of the principal Act is amended by adding after the words "land is situated," in paragraph (b), the following:—"Provided that any person paying all rates for the current financial year at least twenty-four hours before the day of election shall, on production of an official receipt from the municipality for such payment, be entitled to vote although the name of such ratepayer does not appear on the electoral roll."*

Under the Act the owner or occupier of ratable land, so long as he paid his rates before the 1st October, was entitled to be included on the municipal roll and to vote. There was no justification for taking away the right of an occupier to vote at any municipal election. If his rates were in arrears on the day of election it was entirely the fault of the municipal authorities who had great powers for collecting rates. It very often happened that in connection with large blocks of buildings the owner paid the rates and the tenants were entitled to be put on the

roll. Sometimes the owner neglected to pay the rates, and all the tenants were disfranchised. He had been told that such a case had happened in Perth quite recently. It was not a fair proposition to disfranchise the occupier in that way. A man should not be penalised for not paying his rate by being disfranchised.

New clause passed.

New clause—Amendment of Section 179:

Hon. R. D. McKENZIE moved that the following new clause be added:—

> *Section 179 of the principal Act is amended by adding the following to stand as Subsection (53):—"Regulating or prohibiting sporting events including unregistered horse races, pony races, whippet or dog or other animal races, cycling and running or pedestrian races, and other events where prize money is offered."*

Section 179 of the Act provided that a municipality might make by-laws and regulations. He was asking by the amendment that the municipalities should be given power to regulate or prohibit the various sporting events mentioned in the new clause.

The COLONIAL SECRETARY: On a point of order, it seemed that an amendment of that kind was *ultra vires* to the Municipal Act.

The CHAIRMAN: Though inclined to agree with the member, the ruling he felt compelled to give was that he could not stop the debate owing to the point of order. He would suggest to the Colonial Secretary that the point might be raised when the Bill was before the Council, for it was not one the Chairman of Committees should rule upon.

Hon. R. D. McKENZIE: The reason was the demoralising effect whippet racing was having in the larger centres.

Hon. J. W. Hackett: All racing has.

Hon. R. D. McKENZIE: One member wanted to know the definition of whippet racing. It was racing with minature greyhounds or kangaroo dogs, and this had grown so much during the last year or so on the goldfields that nightly enormous crowds of people were to be seen attending these races, and the unsatisfactory surroundings were similar to those where unregistered horse-racing was being carried on. There were bookmakers there who made wagers with people for sums as low as one shilling, and women and children were to be seen making bets there. Altogether the effects on the population of the goldfields was most demoralising. The municipality of Kalgoorlie evidently were of the opinion that they did not have the power to stop this sport, or it would have been stopped long ago. The Committee could not go wrong by giving the municipalities this power, and they could be trusted not to interfere with other sports which did not have the same harmful effect.

Hon. M. L. MOSS: Since the decision of the Full Court in the case of Boardman and Herman, there was no doubt that there was plenty of legislation in the Criminal Code of 1901 to stop all the objectionable elements on unregistered racecourses which had been alluded to, and there was nothing to prevent the stoppage of bookmakers calling the odds even on registered racecourses, and it followed, of course, on unregistered courses. As soon as the Government chose to give instructions to the police to stop this, it could be stopped at a moment's notice. The whole thing was illegal, but the question was whether the people of the State were ready for such a move. In connection with the objectionable elements referred to as taking place at Kalgoorlie, the municipal council there had only to instruct the traffic inspector and proceedings could be taken to speedily stop the sport. He objected, however, to an attack being made on unregistered racecourses by way of a municipal by-law. That question should be dealt with openly, because it had been asserted in various quarters that there were certain vested interests which had been allowed to grow up, and if this question of stopping what went on at unregistered racecourses were to be taken in hand, there should be a Bill to deal with it, or the people concerned should be given notice of the intention of the authorities to enforce the sections of the Criminal Code.

New clause put and negatived.

New clause—Amendment of Section 471:

The COLONIAL SECRETARY moved—

That the following be inserted to stand as Clause 20:—

Section four hundred and seventy-one of the principal Act is amended as follows:—

(a.) By inserting before the word "auditor," in sub-section one, "inspector of municipal accounts and"

(b.) By inserting before the word "auditor," in lines one and five of subsection two respectively, the words "inspector of municipal accounts or"

(c.) By inserting before the words "the mayor," in subsection two, the words "the minister or"

(d.) By inserting after the word "if," in subsection three, "the Minister or"

When the Bill was before the Committee an amendment was moved to strike out Clause 17, which referred to the appointment of an auditor by the Governor. On looking into it it was found that there was no provision for machinery to work the clause, and therefore, it had been struck out with the view of inserting the clauses which appeared on the Notice Paper. They were lengthy, but they simply amounted to what was set forth in Clause 17, that the Governor should have power to appoint one auditor. In the past two auditors had been elected by the ratepayers, and requests had been made by several municipal conferences that one of these auditors should be appointed by the Governor. In Victoria, New South Wales, and Queensland they went further; the Government appointed both auditors, but in this State to do that would be to effect too radical a change in an amending Bill. In the other States there was a board for the examination of the auditors, and only those passed by the board could be appointed by the Governor. The system here was that the electors could elect anyone, regardless of qualifications. That was not a desirable state of things, and it was surprising that it had been allowed to go on so long.

Hon. J. W. LANGSFORD: The clause which was before the Committee dealt with an inspector of municipal accounts, which was a separate appointment altogether. In the Municipal Act provision was made for such an inspector, but it was not known whether it had ever been brought into force. Provision was not made for the appointment of a Government auditor except in regard to a special audit required on the petition of a certain number of ratepayers or by the auditor of a municipality. The amendment of the Colonial Secretary brought into existence quite a new officer altogether with regard to municipal accounts, and while he (Mr. Langsford) favoured one inspector or Government auditor being appointed to look after the interests of the Government subsidies, he failed to see the necessity for appointing two men. The result would be that they would be calculated to harass the municipal authorities in their work. In Section 480 of the Act, the auditors were given power with regard to wrong expenditure, and they could bring an action against certain members of the council who voted for that illegal expenditure. According to one proposed new clause, the inspectors could disallow any expenditure or entry in the books which they considered had been wrongly, irregularly or dishonestly made, or which had been made in contravention of the Act, and any such sum so disallowed could be recovered from or deducted from moneys due to the officers or servants of the council, etcetera. The responsibility of that wrongful expenditure, which under the present Act was placed upon the members of the council was now transferred to the officers of the council. There would be a grave difficulty indeed in the working of this provision. As a result of conversations with municipal officers, it was learned that while these people were agreeable that the Government should appoint an inspector of municipal accounts, they could not see the wisdom of appointing two, as was proposed in the terms of the amendment. The Government certainly should follow up Government money by an auditor or an inspector of public accounts, but one

could hardly see the need for having the two officers.

The COLONIAL SECRETARY: It was not contemplated to appoint two men. Under the present Act there was power to appoint an inspector of municipal accounts, and that officer was sometimes sent to municipalities where it was known there were irregularities in the accounts, but his services in this regard were not largely availed of. It was intended now to utilise this officer's services to inspect municipal accounts in municipalities like Roebourne where it was impossible for the Government to appoint Government auditors.

Hon. R. LAURIE: Was it not the intention that the inspector should make an annual examination of accounts? Was the inspector to be used only when the Government thought it proper to employ him? Municipal accounts should at least be examined by the Government inspector once a year, not only to check the Government money with which the municipality was subsidised but also to protect the interests of the ratepayers.

The COLONIAL SECRETARY: In outside localities there would not be fixed periodical visits by this inspector, but almost without exception there would be annual inspections because the officers of the Audit Department, who would inspect these municipal accounts, were required to make annual inspections of public accounts in each district.

New clause put and passed.

New Clause—Power of Governor to nominate auditor:

On motion by the Colonial Secretary the following was added to stand as Clause 21:—

1, Notwithstanding anything contained in Division (2) of Part XXV. of the principal Act to the contrary, it shall be lawful for the Governor, by Order in Council published in the "Government Gazette," to direct that in any municipality to be named in such Order, one of the two auditors for such municipality shall be appointed by the Governor.

2, Upon such Order being duly made and published, and so long as such Order shall continue in force, one of the auditors for such municipality shall be elected biennially under the provisions of Division (2) of Part XXV. of the principal Act, and the other shall be appointed from time to time by the Governor for the term of two years from the 1st day of December in the year of his appointment, and shall be eligible for reappointment.

3, The first appointment of an auditor under this section shall be made in place of the auditor to go out of office on the 30th of November following the publication of such Order in Council, but such retiring auditor shall be eligible for appointment.

New Clause—Appointment and powers of inspectors of municipal accounts:

The COLONIAL SECRETARY moved that the following be added to stand as Clause 22:—

1, The Governor may appoint inspectors of municipial accounts, whose duty will be to inspect the accounts of the councils, and to report to the councils and the Minister respectively any irregularity, dishonesty, or breach of this Act or of the regulations which they may discover.

2, Such inspectors may disallow any expenditure or entry in the books which they may consider has been wrongly, irregularly, or dishonestly incurred or made, or which has been incurred or made in contravention of the Act, or of the regulations. Any such sum so disallowed shall be a surcharge upon and may be recovered from or deducted from moneys due to the officers or servants of the council by whom the expenditure was incurred or ordered to be incurred, or by whom the entry was made or ordered to be made.

3, Any person upon whom a surcharge is made by such inspector may appeal to the Minister, whose decision shall be final:

Provided that such appeal shall be made within one month of the surcharge.

4. The inspectors of municipal accounts shall be paid such salaries and be entitled to such allowances (if any)

in respect of their expenses in accordance with such scale as the Governor may by order to be published in the "Government Gazette" determine, and when certified by the Minister or any person appointed by him in that belief shall be payable out of any moneys appropriated by Parliament for the subsidising of municipalities, and shall be apportioned among the different municipalities in such sums as the Governor may from time to time fix.

5. Section four hundred and eighty four of the principal Act is repealed.

Hon. F. J. CULLEN: The words "irregularity, dishonesty, or breach" occurred. It was not usual in a civil Bill to mention the word "dishonesty" and as it was entirely superfluous, he moved an amendment—

That in Subclause 1 of the proposed clause the word "dishonesty" be struck out.

The COLONIAL SECRETARY: The subclause was an exact copy of the law recently passed in New South Wales. If we included the word "dishonesty" it would be a clear duty of the auditor to report it, and if dishonesty were reported to the Minister the Minister's duty would be clear. If on the other hand irregularity were reported to the Minister the Minister could take an easier course than would be the case if dishonesty were reported.

Amendment negatived.

Hon. M. L. MOSS: In regard to Subclause 2 where it was provided that the inspectors should disallow any expenditure they considered wrongly, irregularly, or dishonestly incurred, and that any sum so disallowed could be recovered from the officers or servants of the council by whom the expenditure was incurred or ordered, there seemed to be something peculiar. It was obvious there was a serious blunder, and one could hardly imagine it was a copy of the New South Wales provision. Perhaps the Minister would report progress.

The COLONIAL SECRETARY: The subclause apparently related to where an officer ordered the expenditure. There was no objection to reporting progress or postponing the clause.

Hon. E. M. CLARKE: It was necessary to recast the clause. Money would be wrongly expended if it were spent for some other purpose than that for which it was voted, and it was correct for the auditor to see that it was set right, but the matter should be set forth clearly in the clause. Money had a habit of disappearing, and if it disappeared it was therefore dishonestly taken, but it was necessary to have this properly expressed. Of course it was an irregularity if money was spent from the three per cents. that should not be derived from that source, or if a Government grant for a particular purpose was diverted to some other use, or if money was expended which was not allowed under the Act. It was necessary that a clause such as this should be be carefully drawn.

Hon. M. L. MOSS: Though this might be taken from the New South Wales statute it might, in the New South Wales Act, follow some section alluding to the duties of officers of the council, and in that case it would be a sensible clause; but here, in this measure, it would stand by itself and would not form one of a group of sections in the Act. That was where misconception evidently arose.

Hon. S. STUBBS: This clause apparently would penalise a town clerk for a wrongful act done by the council or mayor. The mayor might instruct the town clerk to incur certain expenditure to which the town clerk objected; but, nevertheless, apparently the town clerk would have to refund the money so expended.

Progress reported.

ADJOURNMENT—ONE WEEK.

On motion by the Colonial Secretary resolved, "That the House at its rising do adjourn until Wednesday, the 10th November."

House adjourned at 6.15 p.m.