

"The Council would however observe, that in adding the section to the Loan Bill, it has merely followed the practice which it has ascertained is generally adopted elsewhere, of giving the Representatives of the People the same control over the expenditure of Loan monies as they have over ordinary revenue."

The resolution was adopted without discussion.

THE COLONIAL SECRETARY (Lord Gifford) then moved, That the House do now resolve itself into a Committee of the whole, to strike out the third section of the Bill, as agreed upon in the resolution.

This was carried, and the clause was expunged.

The House adjourned at a quarter to eight o'clock, p.m.

LEGISLATIVE COUNCIL.

Thursday, 7th April, 1881.

Prorogation.

THE SPEAKER took the Chair at noon.

PRAYERS.

PROROGATION.

HIS EXCELLENCY THE GOVERNOR entered the Council Chamber shortly afterwards, and delivered the following Speech:—

"MR. SPEAKER AND GENTLEMEN OF THE LEGISLATIVE COUNCIL,—

"The business of the Session being now concluded, I am able to relieve you from further attendance in Council, and beg at the same time to inform you that I have assented, in Her Majesty's name, to the undermentioned Bills:—

"*An Act to make it lawful to close up a certain Street in the Town of Guildford.*

"*An Act to amend 'The Jury Act, 1871,' and 'The Jury Act (Amendment) 1880.'*

"*An Act to make further provision for the Management and Working of Railways.*

"*An Act to authorise the Extension of the Eastern Railway.*

"*An Act to amend 'The Auctioneers' Act, 1873.'*

"*An Act to impose certain Stamp Duties.*

"*An Act to enable the Police or Resident Magistrate of a District to issue a Certificate for a License to the Keeper of a Railway Refreshment Room in the District of such Police or Resident Magistrate at any time between any two Quarterly Licensing Meetings.*

"*An Act for raising the sum of One Hundred and Fifty Thousand Pounds by Loan for the construction of certain Public Works and for the repayment to the General Revenue of the Colony of the cost of constructing the Eucla Telegraph Line.*

"I have noticed with satisfaction the attention which you have bestowed on these important measures, and beg to assure you that no time shall be lost in continuing the important work of which you have authorised the extension.

"I am much obliged to you for removing from the Loan Bill the section which I felt a difficulty in assenting to without further inquiry and consideration. While the question of further legislation on the point alluded to is pending, I will take care that Your Honorable Council is consulted on all questions of Loan expenditure, so far as it may be possible to do so without delaying the works.

"I am rather afraid that the remarks in my opening speech, on the financial position of the Colony, have given rise in some quarters to the impression that the public accounts are in confusion, and that the deficit as shown by the statement which I have recently laid before you differs materially from the result which would have been disclosed had the accounts been made up for publication according to the method adopted on certain former occasions. Such impressions, if they exist, are erroneous. The discrepancy between the two statements, which is only about £142, is no proof that the new statement, based on the figures disclosed by the actual state of the accounts on the

"31st December, is incorrect, but indicates that an error of about £142, now almost impossible to trace, exists in the debit balance brought forward in former years. It is therefore incorrect to assume that the accounts are now in confusion. No doubt the system of keeping and auditing the accounts which has heretofore been followed is susceptible of improvement, and, as you are aware, a new system is about to be immediately introduced; but I have reason to believe that the statement of the deficit which has been placed before you is perfectly correct, and it seems to me undesirable that any erroneous impression on this point should prevail.

"I duly received your Address No. 9, on the subject of the construction of railways on the Land Grant System. The question is one which has for some time past occupied my careful attention; and before I received your Address, the Surveyor General had already furnished me, at my request, with a memorandum showing the amount of land which would be available for the adoption of such a system between York and King George's Sound. I am not at present in a position to express any opinion on such a subject on behalf of Her Majesty's Government, but I shall have much pleasure in forwarding your Address to the Secretary of State, and will, in due course, inform you of His Lordship's views in the matter.

"I concur in the expediency of your decision to defer to next Session the questions which I submitted for your

"consideration with regard to the further development of the Eastern Districts, in view of the anticipated extension of the Railway to York. I observe with pleasure that you recognise the great importance of those questions, and that you propose to give them your best attention on a future occasion.

"A statement has recently been made to the effect that in the matter of Messrs. McDonald and Mockford's claim on account of transactions connected with the Lacepede Guano Islands, the Crown Agents have advised my Government to offer the claimants £15,000 in full satisfaction of their demands. As this statement, if uncontradicted, would be calculated to prejudice the interests of the Colony in a case which in all probability will shortly come before the Court, I feel it my duty to let you know that no such advice has been given by the Crown Agents or any other department. In fact, as soon as all the circumstances of the case became known to the authorities in England, they at once acquiesced in my decision to break off the negotiations at home and to refer the claimants to this Government for settlement.

"Mr. Speaker and Gentlemen, I have only, in conclusion, to thank you for the close attention which you have bestowed upon your Legislative duties, and I now prorogue this Council to Monday, the sixth of June next ensuing."

HIS EXCELLENCY, having handed a copy of the Speech to Mr. Speaker, withdrew from the Council Chamber, and the Session closed.