

(No. 152.)



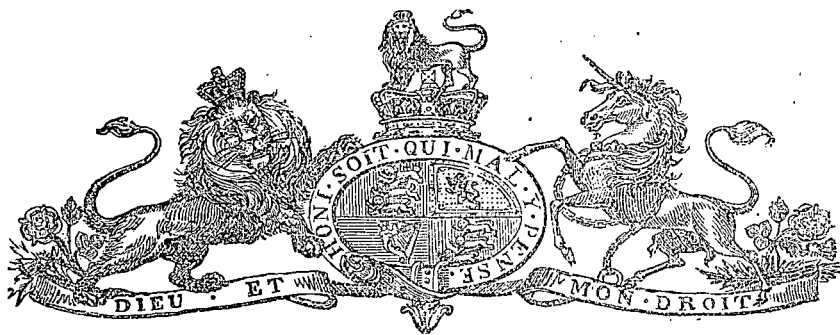
1885.

PARLIAMENT OF TASMANIA.

M R. H E N R Y ' S C A S E :

REPORT OF SELECT COMMITTEE, WITH MINUTES OF
PROCEEDINGS AND EVIDENCE.

Brought up by Mr. Reibey, November 13, 1885, and ordered by the House of
Assembly to be printed.



SELECT COMMITTEE appointed to enquire into the case of Mr. Samuel Henry.

MEMBERS OF THE COMMITTEE.

MR. BURGESS.
MR. BIRD.
MR. COOTE.
MR. BRADDON.

MR. GRAY.
MR. NORTON-SMITH.
MR. REIBEY (*Mover*).

DAYS OF MEETING.

Tuesday, 27th October; Friday, 30th October; Wednesday, 11th November; Thursday, 12th November;
Friday, 13th November.

WITNESSES EXAMINED.

Mr. S. Henry. Mr. H. I. Rooke, M.H.A.

EXPENSES OF WITNESSES.

Mr. S. Henry, £10 10s.

MINUTES.

TUESDAY, OCTOBER 27, 1885.

The Committee met at 11.30.

Present—The Hon. Treasurer, Messrs. Smith, Reibey, Gray, Coote, and Braddon.

On the motion of the Treasurer, Mr. Reibey was voted to the Chair.

The motion appointing the Committee was read, after which Mr. Samuel Henry was examined.

At the suggestion of the Treasurer the meeting adjourned at 12.30 till 11.30 on Friday, to enable Mr. Henry to prepare his reasons for objecting to the finding of the Board of Enquiry, and which he said he would lay before the Committee on Friday.

FRIDAY, OCTOBER 30, 1885.

The Committee met at 11 A.M.

Present—Mr. Gray, Mr. Bird, Mr. Treasurer, Mr. Hartnoll, Mr. Coote, Mr. Reibey (Chairman).

The Minutes of the last meeting were read and confirmed.

Mr. Henry was admitted, and produced a written statement, which was read. (*Vide Appendix*).

Mr. Henry withdrew.

The Committee having deliberated, Mr. Henry was re-admitted, and was informed by the Chairman that Mr. Burgess proposed putting before the Committee new matter in connection with the payment of certain amounts of Real Estate Duties relating to a property of Mr. Henry's, since purchased by Mr. Bennett, which matter Mr. Henry should have an opportunity of examining and explaining.

The Committee then adjourned until a date to be hereafter named.

WEDNESDAY, NOVEMBER 11, 1885.

Present—Mr. Treasurer, Mr. Gray, Mr. Coote, Mr. Braddon, Mr. Norton-Smith, and Mr. Reibey (Chairman).
The Minutes of the last meeting were read and confirmed.

Mr. Burgess produced correspondence and accounts relating to the payment of certain amounts of Real Estate Duties in connection with a property of Mr. Henry's, since purchased by Mr. Bennett.

The documents having been read the Committee deliberated, and considered the question involved to be one of a private nature between Mr. Bennett and Mr. Henry. The papers were withdrawn.

Mr. Henry was admitted, and further examined.

Mr. Henry withdrew.

Ordered, That Mr. H. I. Rooke, M.H.A., be requested to attend and give evidence before the Committee to-day, at 3.30 P.M.

Mr. Henry, being re-admitted, laid before the Committee a letter.

The Committee adjourned till 3.30 P.M. to-day.

The Committee being re-assembled,

Mr. Rooke was called in and examined.

Mr. Rooke withdrew.

The Committee adjourned until Thursday next at 2.30 P.M.

THURSDAY, NOVEMBER 12, 1885.

The Committee met at 2.30 P.M.

Present—Mr. Braddon, Mr. Norton-Smith, Mr. Burgess, Mr. Coote, Mr. Bird, Mr. Reibey (Chairman).

The Minutes of the last meeting were read and agreed to.

The preparation of the Draft Report was proceeded with.

The Committee adjourned till Friday, the 13th inst., at 11.30 A.M.

FRIDAY, NOVEMBER 13, 1885.

The Committee met at 11.30 A.M.

Present—Mr. Gray, Mr. Norton-Smith, Mr. Burgess, Mr. Coote, and Mr. Reibey (Chairman.)

The Minutes of the last meeting were read and confirmed.

The Draft Report was submitted, read, and adopted.

The Committee adjourned *sine die*.

R E P O R T.

YOUR Committee having examined two witnesses, and considered the correspondence and evidence given before the Board of Enquiry (*vide* Parliamentary Paper No. 119, Session 1884), find that Mr. Henry, in taking charge of his office as Commissioner and Collector of Real Estate Duty, in April, 1880, adopted his own system of keeping the accounts of the Department; that this was subsequently superseded, in September, 1880, by a more elaborate system, suggested by Mr. R. M. Johnston, which necessitated additional temporary clerical assistance.

Your Committee find that Mr. R. M. Johnston's careful analysis of the proposed system and that at present in use (*vide* pages 3 to 6 Parliamentary Paper 119, of 1884), was not communicated to Mr. Henry in writing, although, acting upon instructions from the Auditor, Mr. R. M. Johnston verbally explained and illustrated the system to Mr. Henry by diagrams.

Your Committee are of opinion that the irregularities reported by the Auditor are not due to any dishonest act on the part of Mr. Henry.

As it is in evidence that Mr. Henry had reason to believe that his salary would be paid during the time he was relieved from duty, your Committee recommend that he be paid accordingly.

THOMAS REIBEY, *Chairman*.

Committee Room, Friday, 13th November, 1885.

E V I D E N C E.

TUESDAY, OCTOBER 27, 1885.

MR. SAMUEL HENRY *examined.*

1. *By the Chairman.*—Where do you reside? At St. Leonard's.
2. What position did you lately occupy in the Government service? First, Commissioner, and afterwards Collector, of Real and Personal Estate Duties at Launceston.
3. When were you appointed? I was appointed Commissioner on March 30th, 1880, and Collector on December 28th, 1882.
4. Was not a Board appointed afterwards to enquire into the working of your Office? Yes; the result is contained in Paper 119 and Appendices.
5. Had you any intimation of the appointment of the Board of Enquiry? Yes; I received a letter from the Treasurer informing me that an independent Board would be appointed to enquire into the working of the Office during the time I held the office.
6. Were you informed of the names of the gentlemen forming the Board? No.
7. Did you receive notice either from the Head of the Department or the Chairman of the Board informing you when and where the Board would meet? No.
8. How did you know that the enquiry had commenced? I received a telegram from the late Mr. R. W. Lord, informing me that the Board of Enquiry was sitting, and if I desired I might be present.
9. Who constituted the Board? Messrs. Mitchell, Lord, and Belstead.
10. Did you not receive notice either from the Treasurer or the Board? Not any, except the telegram from Mr. Lord informing me of the commencement of the proceedings.
11. Then you only knew of the commencement of the proceedings by the receipt of that telegram? Yes, and I gave attendance as soon as I could afterwards.
12. Were you present when the Board commenced the enquiry? No. According to the Report, the enquiry commenced at 10 o'clock. I received the telegram subsequently, and could not possibly attend till 3 o'clock. Mr. Lovett, the Colonial Auditor, had been examined before I arrived.
13. Did you not ask for professional aid to assist you? I did: I felt the absolute necessity of such assistance.
14. Did the Board grant it? No, I did not receive it.
15. *By the Treasurer.*—Did the Board refuse you? No, but they demurred both to my having professional aid and a friend to assist me.
16. Did the Board absolutely refuse your request? No, but they demurred.
17. *By Mr. Gray.*—Were you injuriously affected in any way by not being present when the proceedings commenced? Yes, I think so.
18. In what way were you affected? A list of questions were put to Mr. Lovett, as I afterwards found out, and I think I would have availed myself of the right at that time to question him.
19. Had you not an opportunity of examining Mr. Lovett afterwards? Yes, and I did so.
20. If so, how could you be prejudiced? Because I did not examine him at that time.
21. Why did you ask for professional aid? Because I was suffering very severely, both mentally and bodily.
22. *By the Chairman.*—Had you not been so affected, would you have been able to explain the discrepancies in your accounts? I would have been better able to meet the enquiry in every way. From the time I was relieved from duty until the Board met I was laid up continuously, and had not an opportunity of attending my office.
23. Do you take exception to the conclusions at which the Board arrived? I do, *in toto*.
24. Are you prepared to state substantially to this Committee why you so take exception? Yes.
25. Will you put it on record before the Committee? I will be prepared to-morrow to place in writing before the Committee my objections to the finding of the Board.
26. *By Mr. Braddon.*—What do you mean to imply by saying the Board did not refuse you aid, but they demurred? They told me I had better not have aid,—that there was no necessity for it, and if I persisted in it they would have to open the matter again. They argued the matter, and led me to believe that it would be very disagreeable to them to meet a professional man.
27. *By the Treasurer.*—Did they not say it was not usual in an enquiry of that kind to grant professional assistance? I think it very likely they did so.
28. Did they not say that if you required professional aid, and renewed your application later on, that you might do so? I have no recollection of it.
29. Did you renew your application later on? No; I thought it might be disagreeable to the members of the Board to meet a professional man.

WEDNESDAY, NOVEMBER 11, 1885.

MR. HENRY *re-examined*.

30. Did the Chairman of the Board invite the public in any way to make complaints against you? Yes; a local appeared in the *Examiner* from time to time inviting the public to interview the Chairman, and a special one appeared in the *Examiner* after the enquiry closed. I waited on Mr. Button and asked him by whose authority it appeared. Mr. Button made enquiries from the reporter, who told him it was on the authority of the Chairman.

31. Were you refused a copy of the primary questions when you were preparing your defence? Yes; the Chairman told me he had destroyed them.

32. Are there not statements in the printed evidence which were not submitted to you at the time of the enquiry? Yes; there are a number of letters signed "William Lovett" which were not read to me. The plan of the system of accounts as prepared by Mr. R. M. Johnston was never shown me, or any letter of instructions from the Public Department up to April, 1884. That was the first communication I received of the system of accounts.

33. Was there any other portion of the evidence that you did not see? No.

34. Was the finding of the Board published? Yes; in the *Mercury*.

35. Did your defence appear at the same time? No, nor up to this day.

36. Then the publication of your defence was withheld at the time the report was published? Yes.

37. Did that mislead and prejudice the public against you? Yes, undoubtedly.

38. Was your defence in the possession of the Board before the report of the Board appeared in the newspapers? Yes, and the *Mercury* stated in a sub-leader that I had no defence. I then took the necessary steps to have my defence printed in the *Mercury*.

39. Were you refused legal advice, and the assistance of a friend, during the enquiry? I was not absolutely refused, but the matter was considered by the Board, and from their unwillingness in that respect I gave way on the matter: that was in connection with my request for legal advice. I then asked for a friend's assistance, as I was ill, but they demurred.

40. Did the taxpayers cheerfully comply with your demand for information to assist you in preparing the rolls in accordance with law? Yes; generally I think they did, with one single exception.

41. Was a want of knowledge in working the Department imputed to you? Yes.

42. Is there any record of your services being acknowledged and appreciated by the Government? Yes. Mr. Giblin, when Premier, wrote me a very complimentary letter in connection with the working of the Act, and it is alluded to indirectly in the Parliamentary Reports. Many of the amendments that I proposed were introduced in a subsequent Amendment of the Act. As a further proof of my industry, the Parliamentary Records show that in two years I increased the Revenue nearly £2000 a year in the Northern division, and the number of items on the rolls on the Northern division were then nearly 4000 more than they were when I took office. The Police Rate was also increased.

43. *By Mr. Gray*.—Was the Police Rate increased correspondingly? Yes, it increased in proportion.

44. *By Mr. Braddon*.—You say you first received your instructions for the working of your office in April, 1884? Yes.

45. Did you receive a copy of Mr. Johnston's letter, dated 1880, in which he gives a detailed account of the proposed system, and the system then in use? No; all I knew of Mr. Johnston's scheme was through his visit to my office as detailed in Mr. King's evidence. (See page 3, Appendix to Report.)

46. Was any promise made to you in regard to your salary during the time you were under suspension? Yes. Mr. Rooke waited on the Treasurer and received from him a promise that my salary from the time of my suspension should be paid ultimately, and that for the past month should be paid at once. After this I received confirmation of that from the Treasurer, who told me that my salary during the time of my being relieved from duty would be paid.

47. *By Mr. Gray*.—How do you know that Mr. Rooke waited on the Treasurer? I have his letter to that effect.

48. *By the Treasurer*.—Was not my promise to you conditional on the finding of the Board? You made no conditions whatever.

MR. H. I. ROOKE *examined*.

49. *By the Chairman*.—Did you have an interview with the Treasurer in reference to Mr. Henry? I did.

50. What was the purport of it? Mr. Henry asked me to see the Treasurer and see what I could do for him, amongst other things being that in regard to his salary. I put it to the Treasurer that it was harsh on Mr. Henry that his salary should not be paid whilst he was under suspension, and until the matter was finally settled. Mr. Burgess told me that the salary should be paid; that Mr. Henry was entitled to his salary, and he was only waiting for the appointment of the Board.

51. *By the Treasurer*.—Can you call to mind if in the course of general conversation I did not say that my promise as to the salary was to a certain extent conditional on the finding of the Board—that was as to the time he was under suspension? I understood you to say, that until the Government decided what to do with Mr. Henry, that his salary should be paid, and I wrote him accordingly.

APPENDIX.

SIR,

IN compliance with the instructions of the Committee, I now respectfully submit the following statement and extracts from the printed Correspondence and Returns for the consideration of the Committee, in the full trust that the necessary steps will be taken to cause the salary, £125, due me, and £6 15s., expenses incurred, to be paid :—

First Paragraph of the Report of the Board.

First—That Mr. Butler, the Commissioner at Hobart, assumed control of the Launceston Branch under verbal Ministerial instructions, and that neither Mr. Butler nor Mr. Henry propounded any scheme of accounts, but that an effectual scheme and system of check was elaborated by Mr. R. M. Johnston, (acting on behalf of the Colonial Auditor), which was approved by the Government in September, 1880, and that the same was explained to Mr. Henry personally by Mr. Johnston

The finding of the Board in the first paragraph of their Report is not correct in reference to the Northern Branch of the Estates Duties Department.

When the office was opened in 1880, I, with the assistance of Mr. King, adopted a system of Books and Accounts the same (as near as circumstances would admit) as those in use in the banking establishments in the Colony, and found the system effective, as the following letter will prove :—

REAL ESTATE DEPARTMENT.

TO THE EDITOR.

SIR,—As a good deal has been said lately relative to the system of keeping accounts in the Real Estate Duties Department, Launceston, perhaps a brief sketch from me of how I kept the cash accounts up to the date of my resignation (August 7, 1883, may prove acceptable.

On entering the department in 1880 (April) I found no instructions whatever as to the mode in which the books were to be kept, or as to what should be done with cash received. I therefore opened the accounts on a plan of my own. I kept a counter book for each district for entering payments as they were made (which were afterwards replaced by the abstract cash books which I had proposed.) At the end of each day I carried the totals from these books into a general cash book, under their several headings. These with the balances of cash on hand on the previous day brought forward, balanced the credit side, which contained the amount banked and the total cash still on hand at the time of closing the books for the day. From this general cash book I posted my ledger—in which I opened an account for each district—crediting each with amount received on its account, so that at any time I could tell how much had been collected for each district. In my ledger I had a Real Estate Duty account for each year, which I credited with total receipts and debited with total disbursements. The balance between these would be the same as the balance of cash on hand, and in this way I could check all the cash accounts. This was very useful, afterwards especially, when the number of collections increased, as I could tell at a glance to what different years the cash on hand belonged. The police rate accounts I treated in the same way. I also kept bank accounts.

In keeping the accounts as described, I was enabled to make up the weekly returns for the Hon. Treasurer, and the monthly returns for the Colonial Auditor, with comparative ease; and where in the Hobart office it took 14 days to make up the Auditor's Return for month (see the Commissioner informed Mr. Henry and myself), I could make out mine in two days.

I think you will see that my system of keeping the cash accounts was complete. I am unable to say in what way the accounts were kept after I resigned.

Owing to the small staff, great trouble was experienced in recovering outstanding amounts,—all the available strength of the office was required making out demands, defaulters' lists, &c. *In re* demands, a clerk could only make out 100 a day, as he had at the same time to fill up receipts and butts for each; but although I often assisted in this work, yet it was, as it were, apart from my department, which consisted in making out returns, receiving cash, attending to the counter and letters, &c.

The present complications I feel sure are not due to any dishonest acts. I also have reason to believe that money has been paid into the Treasurer's account which has not been credited in the office accounts by the late chief clerk, which I should imagine would reduce the amount supposed to be deficient. In conclusion, I beg to thank you for the considerate manner in which you have mentioned my name in connection with the Real Estate Duty office, and to say that you are at liberty to make what use you please of this letter.

Yours, &c.

KEITH J. KING.

Launceston, September 6th, 1884.

Previous to taking office I waited upon the Auditor for his instructions as to the best mode of keeping the accounts of the office. I could not get any instructions or information whatever, and I consider the Auditor snubbed me, and professed ignorance of the appointment of Mr. Butler and myself. I mentioned this matter to Mr. Butler at the time.

In reference to the latter part of the first paragraph of the Report of the Board as to the scheme of accounts, my defence deals with this, and I cannot do better than repeat what I then stated.

The next charge is of a more serious character. That I ignored the system of check which was provided for my protection at considerable trouble to the Audit Office in 1880. Fortunately for me the independent testimony of Mr. King proves beyond a shadow of a doubt that no such system was forwarded for the use of the office; that he considered Mr. Johnston's visit was for the purpose of gleaning information and making himself acquainted with the various modes followed in the different Government offices before leaving Launceston to join the Audit Department, in order to prepare a proper and uniform system of accounts, as far as practicable. Mr. King looked upon the matter as by no means finally settled when Mr. Johnston terminated his visit, and I likewise viewed the scheme as in its first stage—in embryo—but not worked out, and when the scheme was perfected I would hear officially more about it. And the correspondence fully bears out this interpretation (see page 6). The endorsement of the Honorable Treasurer, giving his approval, is dated the 29th September, 1880, about three weeks after the date of Mr. Johnston's visit of inspection to my office. However that may be, I received no communications whatever in reference to the new system of accounts, either from the Treasury or the Audit Office, until the 7th April, 1884 (see letter No. 21, page 45, signed W. Lovett). A search of the records unexpectedly proved this, and refuted the impression the Auditor appeared to have. I now wish to draw the attention of the Board to the evidence of the Auditor in reference to the account books Nos. 2, 6, 7, and 10, enumerated on page 3 of Mr. Johnston's report to the Auditor. No. 7, the cash book, was in use previous to Mr. Johnston's visit; the others, *i.e.*, Nos. 2, 6, and 10, were new, and formed essential parts of Mr. Johnston's scheme, as will be seen by referring to the report (see pages 4, 5, 6). It will be observed, upon reference to the evidence, that the Auditor stated that all those books had been duly forwarded to my office. He afterwards, in reply to my question, qualified his former evidence by stating that he was not sure as to No. 2, as he thought that was already in use in the office, but reiterated his former statement as to the other books. Now, subsequent evidence proves that No. 2, "Abstract of duties payable book," had never been in use, nor has any such book ever reached the office. No. 6, "Abstract Book Cash Received," reached the office from the Government Printer, but I do not know the date. According to the date of the first entry, it was opened by Mr. King in 1881. As to No. 10, "Payment of Demand Check Book," the evidence of the Commissioner proved that he forwarded the above-named book, No. 10, on or about the 18th or 19th March, 1884, with instructions from the Honorable Treasurer to open it. It was opened on the 22nd March, and ceased to be used on the 7th April, as the Auditor considered it useless.

My system of accounts and books were examined by Mr. Johnston in September, 1880. Every facility and assistance was afforded him, and when he had finished I understood he would recommend an alteration in some of the books, and the mode of keeping them, with a view of introducing a better system of check. After Mr. Johnston's visit of inspection I never had any communication either from the Audit Office or from the Treasury in reference to a change of system in the office until April 7, 1884, when I received the letter of that date which appears in the printed correspondence on page 15, signed William Lovett. Now one of the complaints against me is that a system of check was provided for my protection, at considerable trouble to the Audit Office, and which I ignored. Now this I most emphatically deny. No system of check or instructions were received by me until the receipt of the letter of the 7th

April, 1884, and I immediately gave effect to the wishes of the Auditor by introducing the system. I dwell upon this matter because your memo. on page 52—26/8/84—leads me to infer that you are under the impression that I had neglected to give effect to the system of check provided, and had ignored the instructions of the Auditor. In further confirmation of my statements, I beg to refer you to letter 25 from Mr. King on pages 45 and 46, having reference to the subject. I hope you now have a correct conception of this portion of the correspondence, and the errors you were under in reference to this matter have been removed.

As a confirmation of the incorrectness of the Report in reference to the system of check, I attach some portion of Mr. King's evidence thereon.

By Mr. Henry.—Did not Mr. R. M. Johnston visit the office more than once? I only remember one visit.

Do you remember Mr. Johnston admitting that additional staff was imperative in order to carry out his scheme? Yes.

Can you give the substance of what took place on Mr. Johnston's visit to the office? He spoke of having the desk fitted up for the convenience of a clerk to enter vouchers as they were presented for payment, and the vouchers were to be handed back to the counter-clerk after entering that he might bring the amount to his cash debit. He also spoke of a triplicate demand book, also an abstract cash book, which had been previously suggested by myself to the Collector.

Is not the book I produce a sample of the books received from the Audit Office after Mr. Johnston's scheme was proposed, viz., triplicate block demand book? It is; but it was not used because it was pronounced by you as not in accordance with the Act, inasmuch as the butt was incomplete.

How many of the books on page 3 printed correspondence were received after Mr. Johnston's visit and up to the time you left? Nos. 3, 4, 5, and 6.

Were there any instructions received from the Treasury or the Audit Office relating to the introduction of Mr. Johnston's system of accounts during your term of office? I remember no instructions having been received comprising the whole system, but I do remember what I have already stated in my previous reply.

Do you consider the conversation that you and I had with Mr. Johnston in reference to the proposed system, of a final nature, i.e., that the system was to be put in force upon the conversation he had with us? No.

Will you describe the system of accounts in use during your term of office? I put in a letter which I wrote to the *Examiner* on the 6th September, 1884. It describes it. [Letter read, and marked M.]

What portion of the scheme did you allude to as impracticable? The appointment of a clerk for the purpose of entering in the first instance, as suggested by Mr. Johnston, would have been necessary.

Was the mode of accounts in the office in your time as near as practicable identical with that in use in the Banking Institutions of the country? Yes; I have had nearly six years banking experience.

Second Paragraph of the Report of the Board.

Secondly.—That the books comprised in this scheme were, with one exception, viz., the Payment of Demand Check Book, transmitted to Mr. Henry, but that it has not been brought into use.

I have to say in reference to this paragraph that it is proved in the evidence that all the books forwarded to me were opened immediately by Mr. King, who states in evidence that the books named on page 3 by Mr. Johnston did not all reach the office—only those numbered 3, 4, 5, and 6. The others had not been received at the office up to the time of his leaving the office by August, 1883. Notwithstanding this evidence, the Board report "That the books comprised in this scheme were, with one exception, viz., the Payment of Demand Check Book, transmitted to Mr. Henry, but that it has not been brought into use."

Mr. Butler, in evidence, states that the "Payment of Demand Check Book was sent by him to me on or before the 22nd March, 1884." Abstract of Duties Payable Book had not been received at the office up to the time I left, in September, 1884.

Yet the Board reports that all the books, except one, had been transmitted to me.

Third Paragraph of the Report of the Board.

Thirdly.—That in our opinion if the said scheme had been carried into effect the irregularities and deficiencies which the printed correspondence and the evidence taken before us reveals, no such irregularities or deficiencies could have arisen; and, indeed, they have not occurred in the Office of the Commissioner at Hobart, where that system has been in force.

Fourth Paragraph of the Report.

Fourthly.—We are unable to discover any substantial reason why a scheme at once so simple, and effectually employed in the Hobart Office with entire success, should not readily have been adopted with the same satisfactory result at the Launceston Branch; and in our opinion the Commissioner, who was afterwards designated the Collector, utterly failed in his duty in not adopting, as requested, a plan which on the face of it would have secured accuracy, and which he was instructed by the Treasurer and the Audit Department to carry out. On the contrary, Mr. Henry appears to have ignored those instructions, and to have obstinately resisted the suggestions of the Auditor, and not even to have carried out the alleged self-imposed duties detailed in his letter of the 5th August, 1884 (Appendix marked F), as proved with convincing accuracy by the evidence.

Fifth Paragraph of the Report of the Board.

Fifthly.—We find that the staff and assistance provided have been sufficient for the due and proper performance of the business of the Office.

Here, again, the Board's finding is incorrect, as it is proved beyond all doubt that I opened and kept in use every book sent to me; the two books, Nos. 2 and 10 (see pages 4 and 6), I did not receive. These books are considered important parts of the scheme by Mr. Johnston (see pages 4 and 6 for his remarks thereon). I do not think it necessary to repeat the evidence, &c. to prove to the Committee that the above paragraph is incorrect.

The finding of the Board is again in error, as the evidence of Mr. King (who was Chief Clerk from 1880 until August, 1883,) shows that the scheme was given effect to by using all the books received at the office; and the correspondence will prove that every instruction, forwarded either by the Treasurer, Auditor, or Commissioner, was immediately attended to.

I assert that I received no instructions whatever as to the mode of keeping the accounts until the 7th April, 1884, and I immediately gave effect to them. I attach copy of the letter of 7th April.

Audit Office, Hobart, 7th April, 1884.

SIR,

I HAVE to request that you will adopt the following system for accounting for the cash received by you as Collector of Real Estate Duties:—

1. The Cashier or Counter Clerk to receive all moneys brought to the office, but the entry in the cash or abstract book must be made by another clerk, to whom the Cashier is to hand the demand brought by the ratepayer before issue of the receipt; the receipt to be initialled by the clerk who makes the entry, and handed to the payor. When money is received by post the entries also to be made in the same manner, and receipts initialled before being signed and posted.
2. Books containing demands, receipts, and butts for record to be used, the butt record to be filled in, and the receipt to be issued to the payor immediately upon receipt of the duty.
3. The Abstract Cash Book is to be used for immediate record of duties upon receipt in the columns provided for the purpose.
4. The cash to be accounted for by payment to the Bank for account of the Treasurer, and by forwarding the usual attested returns to the Audit Office and Treasury.

I have, &c.

W. LOVETT.

S. HENRY, *Collector Real Estates
Duties, Launceston.*

The above is the first letter of instructions I received as to the new mode of receiving and accounting for the money received. The Treasurer granted me an additional clerk, and I at once gave effect to the instructions of the Auditor. In no case did I ignore the Auditor's instructions, nor obstinately resist the suggestions of the Auditor. The correspondence shows just the reverse.

The evidence shows that the staff was insufficient, and had been so represented by me from time to time, without the desired result. Mr. King left the office because he found the extra press of work, after Mr. Atkinson ceased work in the office at the end of 1882, proved too much for him, and his health gave way in consequence.

I would draw the special attention of the Committee to the facts in reference to the staff of the office, as contained in my urgent letters to the Commissioner and Treasurer pleading for additional assistance, and it will be found that my difficulties commenced when I was placed under the control of Mr. Butler, and the staff of the office was reduced, at the end of 1882. The Commissioner, in a Memo

to the Treasurer, dated 8th July, 1884, on page 36, there states:—"In 1883, from considerations of economy, the office of Commissioner in Launceston was abolished, and the Department placed under my charge." Six months before the reduction of the staff took place, viz., on the 24th July, 1882, I drew the attention of the Treasurer to the inadequate provision in the proposed estimates for my staff. The following letters on this subject will convince the Committee that the fifth paragraph of the Report of the Board is incorrect. As a further proof of the insufficiency of staff, since I left the office the work has been reduced considerably by transferring the necessary work for a number of the Districts to the Southern Division, whilst the staff of the Northern office has been increased.

No. 1. *Real Estates Duties Department, Launceston,*
24th July, 1882.

SIR,

I DEEM it my duty to place before you the enclosed estimates for the service of this Branch of the Estates Duties Department for the year 1883.

They are based on the assumption that no rolls will have to be prepared in the office. This alteration has been determined since I prepared the former estimates which you received some time back.

I have been induced to revise my former estimates in consequence of the decision of the Government, but more particularly because I feel confident that the work of the office cannot be carried on in a satisfactory manner with the inadequate staff provided by the printed estimates for next year.

In order to bring this matter more forcibly before you, I have prepared the enclosed returns. A perusal will, I think, at once convince you that the printed Estimates are erroneous, and calculated to mislead you, and through you the Parliament and the country.

The Return, No. 3, shows the total amount to be collected for 1883 will be £19,694, and the cost of the office for the same period at £950, which is under 5 per cent. upon the amount before named.

On the 16th June I enclosed a letter to you bearing upon this matter, to which I have had no reply or acknowledgment, and thinking it not improbable that it may have been mislaid or overlooked, I now have the honor to enclose a copy.

I have, &c.

SAMUEL HENRY, *Northern Commissioner.*
The Hon. Colonial Treasurer.

No. 2. *Real Estates Duties Office, Launceston,*
13th November, 1882.

DEAR SIR,

YOUR letter of the 10th instant came to hand on Saturday, and the contents are duly noted.

I will use the utmost despatch in the issuing of the demands, but with the present staff it is not possible to have the work finished before the time named in my Memo. *re* this matter.

In order to give effect to the wishes of the Hon. the Treasurer *re* collection of duty, I will with his approval first issue the demands for all properties of the assessed value of, say £80 and upwards. By this means the demands for the whole of the large items would be issued in a short time, and with a reasonable hope of having such duty collected before the end of the year.

I have, &c.

SAMUEL HENRY, *Northern Commissioner.*
F. BUTLER, *Esq., Commissioner.*

No. 3.

F. BUTLER, *Esq., Hobart.*

Re your letter of 24th. Staff not prepared to accept proffered remuneration for overtime. Have appointed an assistant at 6s. per day. Please advise Hon. Treasurer.

SAMUEL HENRY.

Launceston, 27th November, 1882.

No. 4. *Real Estates Duties Office, Launceston,
5th February, 1883.*

DEAR SIR,

HEREWITH to hand you have the list of properties in the George Town District, in conformity with your letter of the 1st instant. Also information papers Nos. 75, 76, 106, 141 for the District of Ross.

I also send you addresses (as far as practicable) for the several persons in the Longford and Ross Districts in accordance with your letter before named. I think you will find they contain all the information you require.

I think it right to point out to you, for the information of the Hon. the Treasurer, that this additional work absorbs a great deal of time which ought to be given to the daily increasing routine work of the office. I would like you to lay the following facts before the Treasurer for his consideration:—

There are now outstanding for 1882 (see weekly return) 2177 items, representing £1149 14s. 8d. for police rates, and 6593 items, showing £5138 3s. 1d. for duty for the same period.

Preparatory to the issue of these 8770 defaulters' notices, the whole of the payments for 1882 have to be written off and the names entered in the Defaulters' Book. In addition to the above the Police Rate Demands, numbering 7625, ought to be ready for issue by the early part of April.

I need not, I am sure, add any remarks to the above facts to show that the work of the office has increased, and is increasing daily, whilst the staff has been reduced.

I remain, &c.

SAMUEL HENRY, *Collector.*

F. BUTLER, *Esq., Commissioner.*

No. 5. *Real Estates Duties Office,
Launceston, 22nd March, 1883.*

DEAR SIR,

YOURS of the 20th instant duly to hand. I am having prepared the information *re* properties in districts named.

I have also made arrangements for making out Police Rate demands for 1883.

In reference to that part of the Hon. the Treasurer's letter anent the amount of duty outstanding, I may mention in explanation that everything has been and is being done to increase the earnings so far as practicable with the present staff and the time at our disposal. You are, of course, aware that the preparation of the papers required by you in connection with appeals consumes a very considerable deal of time. I have, however, been issuing notices to defaulters, and will continue to do so until that means of effecting payment is expended, if not disapproved of by the Hon. Treasurer.

The takings since January have averaged about £400 per week, which seems to me to be a reasonable return. Kindly acquaint the Hon. Treasurer with these particulars.

I have, &c.

SAMUEL HENRY.

F. BUTLER, *Esq., Commissioner.*

No. 6. *Real Estates Duties Office,
Launceston, 17th May, 1883.*

DEAR SIR,

YOUR telegram yesterday is to hand *re* Estimates for 1884.

I have only to reiterate the substance of my remarks to the Hon. Treasurer on this subject when the Estimates for the current year were under consideration,—viz., that this office cannot be carried on satisfactorily without another assistant to replace Mr. Atkinson, or, in the absence of another clerk, additional provision must be made for extra clerical assistance, otherwise the routine work of the office must eventually get into a backward state, and the natural consequences of an insufficient staff must eventually follow. I consider it necessary that the pay of the clerical assistant be increased to 8s. He now receives 6s., which is far too low,—indeed, it is not equal to the pay of a labourer, and mechanics are receiving from 12s. to 16s. per day. The work of the office has increased and is on the increase daily on this side of the island, more particularly in the mining districts. I estimate the number of items on the Rolls for 1884 Police Rate and Estate Duty will be

about 22,000, whilst the re-issues consequent upon changes of occupancy and ownership will bring the number up to 30,000, if not more. The number of items I had to deal with for 1880 (see Report) was 12,985. In reference to the reduction of my salary from £400 to £300, it is a subject which I must confess I experience a difficulty in discussing in this letter, and I would not even allude to it but for the impression upon my mind that the Hon. Treasurer had consulted you upon the proposed reduction in my salary, whilst at the same time you, I presume, recommended an increase to Mr. King. The circumstances are singular, and, I think, unique, in the annals of the Civil Service. I have no doubt the Hon. Treasurer considered his proposals the best way of meeting the outside pressure; but that emergency, if it had any existence, does not lessen the sense of injustice I experience in being reduced in status, my salary also reduced by one-fourth, whilst the work of my office has increased enormously. Will you have the kindness to lay this letter before the Hon. Treasurer for his consideration?

I am, &c.

SAMUEL HENRY.

F. BUTLER, *Esq.*, *Commissioner*.

No. 7.

23rd May, 1883.

DEAR SIR,

IN reply to yours of the 19th instant, I have to inform you that the whole of the Police Rate demands will be issued this week, except those for the Ringarooma District, which are detained pending a reply to my letter of the 26th instant, in which I point out that Section 3, 45 Vict. No. 19, had not been complied with.

The Clerical Assistant.—The staff at the office consists of Mr. King, Mr. M'Queen, and Mr. Walklate. The latter is on the estimates prepared for the Hon. Treasurer as clerical assistant, at 6s. per diem.

I am, &c.

SAMUEL HENRY.

F. BUTLER, *Esq.*, *Commissioner*.

No. 8.

25th May, 1883.

CLERICAL assistance an actual necessity; I see no prospect of being able to dispense with it—see my letter to you 17th instant, and letter to Hon. Treasurer with estimate, 24th July, 1882. Should further detail be required will be happy to furnish it.

I am, &c.

SAMUEL HENRY.

F. BUTLER, *Esq.*, *Commissioner*.

No. 9.

Real Estates Duties Office,

Launceston, 9th July, 1883.

DEAR SIR,

MUCH to my regret I have herewith to enclose the resignation of my Chief Clerk, Mr. King, which you will please bring under the notice of the Hon. Treasurer as soon as convenient, with a view of his successor being appointed as speedily as possible. A thorough knowledge of accounts and ledger-keeping is absolutely necessary to the efficient discharge of the duties of the office, and I therefore trust this indispensable qualification will be considered in making the appointment.

I am, &c.

SAMUEL HENRY.

FRANCIS BUTLER, *Esq.*, *Commissioner*.

No. 10.

Real Estates Duties Office,

Launceston, 13th July, 1883.

DEAR SIR,

I AM in receipt of your letter of the 12th, intimating the approval of the Hon. Treasurer to the resignation of Mr. King.

I beg again to urge the advisability of appointing a successor to Mr. King as soon as possible, in order that he may be instructed in the routine of the work. I need not mention that this is very essential, as it differs from the usual business of Government or other offices.

I am, &c.

SAMUEL HENRY.

FRANCIS BUTLER, *Esq.*, *Commissioner*.

No. 11.

PLEASE see Hon. Treasurer *in re* appointment in this office.

SAMUEL HENRY.

23. 7. 83.

FRANCIS BUTLER, *Esq.*, Hobart.

No. 12.

7th August, 1883.

Will you please obtain the authority of the Hon. Treasurer so as to enable me to employ the necessary extra clerical assistance requisite to have the duty demands made out by the end of September. The payment will, I suppose, be 6s. per 100 as before.

SAMUEL HENRY.

FRANCIS BUTLER, *Esq.*, Commissioner.

No. 13.

Real Estates Duties Office, Launceston,
9th August, 1883.

DEAR SIR,

Yours of the 8th instant to hand. In reply I beg to state it is not possible to have the Estates Duties demands ready for issue within any reasonable time, without outside assistance. Our defaulters' lists are both in amount and number much too large. This is partly to be accounted for by the indifferent health of Mr. King, and his occasional enforced absence from the office. Mr. King's successor will be fully occupied for some time in learning the routine of the office, and having to be coached in the mode of keeping the various books, &c., and I do not anticipate any assistance from him towards preparing the demands or the necessary work in connection with the defaulters. Further information bearing upon your letter to the Hon. the Treasurer I have to refer you to my letters and Memo. under date the 17th, 23rd, and 25th May last; also my letter to the Hon. Treasurer dated 24th July, 1882.

I am, &c.

SAMUEL HENRY, *Collector.*F. BUTLER, *Esq.*, Commissioner.

No. 14.

17th August, 1883.

PLEASE inform the Hon. Treasurer that the present staff is totally inadequate to the daily requirements of the office, and unless additional assistance is immediately granted to replace Mr. King the accounts and books will, I fear, get into confusion and disorder. Every day's delay adds to the difficulty arising from an insufficient staff, and I therefore trust the matter will at once be attended to.

If a permanent appointment *vice* Mr. King cannot be made at once, I hope a temporary assistant will be allowed, as I cannot carry on the work of the office satisfactorily without additional assistance.

SAMUEL HENRY.

FRANCIS BUTLER, *Esq.*, Commissioner.

No. 15.

Real Estates Duties Office, Launceston,
31st August, 1883.

SIR,

I HAVE the honor to inform you, in reply to your telegram *re* vacancy in this office, that I have made enquiries in the Customs, Railway, and other Departments here, and cannot name any person eligible for the position who would consent to fill it at the salary on the Estimates for next year, *i.e.*, £150. On the 9th July I wrote in reference to this appointment "that a thorough knowledge of accounts and ledger-keeping is absolutely necessary to the efficient discharge of the duties." Since that date several applications have been forwarded, amongst them are the names of Mr. Stanfield, of the Telegraph Office, and Mr. Weetman, of the Post Office. I now find that the latter gentleman has not the slightest knowledge or experience of the work to be done, and I am constrained to say that he would not be equal to the duties. In reference to Mr. Stanfield, he has acquired some insight into accounts as counter clerk in the Telegraph Office, but he has no knowledge whatever of ledger-keeping, and it would take a long time to initiate him into the work. In fact, if you have not an *efficient* clerk to fill the appointment, I would prefer that Mr. McQueen, the junior, have the position provisionally, say for one or two months. He has been well coached by Mr. King before he left the office, and since that date the

bulk of the work has been done by Mr. M'Queen. I think if he continues to improve (and he seems anxious to do so), in a month or six weeks he will be up to the work. If you approve of this suggestion, I will be able to recommend, for your approval, an assistant to take the place of Mr. M'Queen.

I am, &c.

SAMUEL HENRY.

The Hon. the Treasurer, Hobart.

No. 16.

Will you urge the Hon. Treasurer to authorise the employment of extra clerical assistance for this office until the present vacancy is filled? As the person responsible, I consider my repeated representations on this subject deserve more consideration than they have hitherto received.

SAMUEL HENRY.

FRANCIS BUTLER, *Esq., Hobart.*

No. 17. *Real Estates Duties Office, Launceston,
7th January, 1884.*

MEMO FOR FRANCIS BUTLER, *Esq., Commissioner.*

I HAVE the honor to state for the information of the Hon. Treasurer, in reply to his Memo. to the Commissioner under date the 29th December, 1883, and received on the 2nd instant, that I did not receive the 5000 Police Rate Demands for the years 1882 and 1883 until the end of November. Mr. Walklate and Mr. Johnston are engaged on the work after office hours, and two other persons out of the office are also employed in preparing them for issue. The greater part, if not all, the 5000 will be made out and posted in about a week from this date. Those for 1882 for the Districts of Emu Bay, Port Sorell, Russell, and Selby were posted on the 20th December; those for George Town on the 21st; and those for Portland on the 31st; for 1883, those for Selby on the 28th December, and the others I hope to have finished and posted in about a week. I feel confident if the Hon. Treasurer had a correct conception of the amount of work which must be attended to day by day so as to keep the office in creditable working order, he would not have considered it necessary to use the word apathy in connection with the discharge of my official duties, or indifference in endeavouring to give effect to his instructions. More work cannot be done by the present staff. I have from time to time pointed out that the work is increasing enormously year by year, and the staff has been reduced in number and efficiency. The returned demands for Duty, arising from changes of occupancy, ownership, and errors on the roll, number close upon 2800. In Launceston alone they amount to over 800. These numbers signify a large addition to the usual work, in seeking out the required information, making the necessary alteration on the office rolls, and preparing in many cases fresh or duplicate demands. As I have before stated, the staff is not equal to the requirements of the office, and since the resignation of Mr. King it has become every day more and more apparent. Mr. M'Queen, who succeeded him, is not able to discharge his duties satisfactorily, and consequently nearly the whole time of the Junior (Mr. Johnston) is occupied in assisting him. Mr. M'Queen is willing, but he has had no previous training, and no knowledge whatever of keeping books or accounts, and he is therefore sadly deficient. I respectfully request that this Memorandum may be brought under the notice of the Hon. Treasurer for his information.

SAMUEL HENRY, *Collector.*

No. 18.

22nd January, 1884.

It will be necessary to obtain the consent of the Hon. Treasurer to enable me to employ the necessary clerical assistance to make out the Police Rate Demands for 1884. The number of items for each district are as follows:—

Emu Bay, 1050; George Town, 1200; Portland, 600; Port Sorell, 2800; Ringarooma, 750; Russell, 400; and Selby, 1200. Total, 8000.

SAMUEL HENRY, *Collector.*

F. BUTLER, *Esq., Commissioner, Hobart.*

No. 19. *Real Estates Duties Office, Launceston,
21st March, 1884.*

SIR,

I HEREWITH enclose copy of my Memo. of the 19th inst. (*re* Mr. Jones' letter) to Mr. M^cQueen, and the reply thereto, which in my opinion is very unsatisfactory in many respects.

The miscarriage of so many letters (six since the Auditor's visit) covering cheques is utterly beyond my comprehension, and, what is still more remarkable, all the letters of enquiry are likewise missing. In fact Mr. M^cQueen ought to be removed from his present position as soon as possible, as he has shown himself totally incapable of carrying out the very many important duties of his office, and consequently part of his work has to be done by others, and this state of things does not conduce to the public interest, but rather the reverse. I believe Mr. M^cQueen to be thoroughly honest, but in all other essentials necessary to ensure the efficient discharge of his duties he is, I regret, to say, sadly deficient. In fact he has deteriorated, and I no longer have that confidence in him which induced me to recommend him as Mr. King's provisional successor. I therefore wish the matter brought under the immediate attention of the Honorable Treasurer, with a hope that an efficient accountant may be appointed as soon as practicable; and I would desire to bring under the notice of the Honorable Treasurer that whilst doing all I possibly can towards the proper and efficient discharge of the duties of the office, it is utterly impossible that I can do so to my own satisfaction under present circumstances, and I most respectfully request that my responsibility as head of the Estates Duties Office, Launceston, may be held in abeyance until a thoroughly competent clerk is appointed and the books examined and a balance brought out.

Yours, &c.

SAMUEL HENRY, *Collector.*
F. BUTLER, *Esq., Commissioner, Hobart.*

No. 20. *27th March, 1884.*

I THINK P. L. Johnston would probably be equal to the duties if he had, say, six months more experience in the general work and routine of the office. He is not wanting either in ability or application. If you cannot appoint a thorough accountant, I would recommend Mr. Johnston for the position, say for three or six months on trial.

SAMUEL HENRY.
The Hon. the Treasurer, Hobart.

No. 21. *Audit Office, Hobart, 7th April, 1884.*

SIR,

I HAVE to request you will adopt the following system for accounting for the cash received by you as Collector of Real Estates Duties:—

1. The Cashier or Counter Clerk to receive all moneys brought to the office, but the entry in the Cash or Abstract Book must be made by another clerk, to whom the Cashier is to hand the demand brought by the ratepayer before issue of the receipt; the receipt to be initialled by the clerk who made the entry and handed to the payor. When money is received by post, the entries also to be made in the same manner, and receipts initialled before being signed and posted.

2. Books containing demands, receipts, and butts for record to be used; the butt record to be filled in, and the receipt to be issued to the payor, immediately upon receipt of the duty.

3. The Abstract Cash Book is to be used for immediate record of duties upon receipt in the column provided for the purpose.

4. The cash to be accounted for by payment to the Bank for account of the Treasurer, and by forwarding the usual attested returns to the Audit Office and Treasury.

I have, &c.

W. LOVETT.
S. HENRY, *Esq.,*
Collector Real Estates Duty, Launceston.

No. 22. *7th April, 1884.*

To enable me to carry out the system indicated in the Auditor's letter of instruction (which I now forward for the information of the Hon. Treasurer), it will be

necessary to have additional assistance. With every desire to give effect to the Auditor's wishes, it is not possible for me to do so with the present staff.

SAMUEL HENRY, *Collector.*

The Hon. the Treasurer.

Launceston, 22nd July, 1884.

SIR,

I HAVE the honor to acknowledge the receipt per Mr. Butler of your Memo. of the 10th inst. in reference to the alleged deficiencies in the Launceston branch of the Real Estates Duties Office, penned by you on perusing the Report of the Auditor "respecting the deficiencies discovered in the accounts of the Collector at Launceston, the general mismanagement of the work of the office, and neglect to carry out instructions given from time to time to ensure a complete check in dealing with the receipt of money," and wherein you request "that the Commissioner will be good enough to require Mr. Henry to pay over to the Treasury by the 25th instant £143 14s. 3d., the balance of the ascertained deficiency, after deducting the sum of £49 3s. 7d. which was discovered in the Launceston office, * * * and that you may be furnished with an immediate report as to why the Collector has permitted the work of his office to be conducted in such a manner as to bring about the irregularities complained of." In connection with your Memo. I have carefully perused and considered the Auditor's Report of the 28th ultimo giving rise to it.

I have delayed my observations upon your Memo. and the Report in order that the irritation caused by such undeserved charges as "general mismanagement,"—"neglect to carry out instructions,"—"permitting the work to be conducted so as to bring about the irregularities,"—might be toned down before I entered upon my defence.

Fortunately the facts are so incontrovertible that I shall have little difficulty in entirely clearing myself from blame: but irrespective of this, I beg respectfully to say that neither by the Audit Act or Regulations connected with it, nor by any precedent connected with the Civil Service of the Colony, can responsibility be fixed upon the head of an office under circumstances similar to those in the present case. The position is this:—I am the Collector, with a great many important and onerous duties to attend to quite beyond the receipt of money; so much so that I am sure you will allow that I am not necessarily required to handle a single shilling that comes to my office; and some of which duties formerly not infrequently called me for days together to other parts of the Colony. An accountant is appointed without any reference to myself, and whose duties connected with the right of disposal of money are such that he is required to pay into the bank daily—not to pay to me—and this receipt and disposal goes on day by day, whether I am in my office or elsewhere. Under such circumstances, to hold that I am personally responsible for robbery, inability, carelessness, or whatever else may cause deficiencies, is to say this: "We will give you distinct duties, and place your clerk beyond your control; we will supply you with such clerks as we please, and keep them efficient or inefficient so long as we please; yet, although your hands are thus tied, we shall hold you responsible for what may happen, just because you are the head of the office." The Collector of Customs, the Manager of the L. & W. Railway, and several other heads of Departments are just in this position. The Cashier or Accountant receives all moneys, and the head of the office never handles a shilling of it. Can such be held responsible? I respectfully say no regulation or precedent can be found for such a theory. Besides, I have very grave doubts as to whether the amounts mentioned by you represents really losses to the Treasury. Many, if not all, may be mere omissions of entry. The money may be there, but the clerk, under pressure of business, may have failed to make the necessary record. The butt of the receipt book is not to be depended upon as a true record of the amount in all cases where the receipt has been removed. The demand, the receipt, and the butt are all prepared before the demand is issued. If afterwards deductions and allowances are made, the butt will not necessarily show such deductions.

The staff of the office has been insufficient as well as inefficient for the past two years. The work has more

than doubled. That errors and irregularities are the result should surprise no one; it is but the natural and to be expected outcome of the circumstances. I find by a reference to my letter-book that so far back as July, 1882, I was drawing attention to delays and inconveniences caused by want of clerical assistance in the office. I was so continually urging my clerks to greater diligence that I feel sure, indeed I know, I often created feelings of dissatisfaction and discontent, yet we could never keep up with the work.

On the 13th November, 1882, I wrote Mr. Butler: "With my present staff it is not possible to have the work finished before the time named in my Memo." Again, in a letter to him of the 5th July, 1883, particularising increase in work, I say: "I need not, I am sure, add any remarks to the above facts to show that the work of the office has increased, and is increasing daily, whilst the staff has been reduced." Then, on the other 17th May, 1883, (not to refer to minor references in letters), I wrote to him thus, almost prophetically foreshadowing the unfortunate events which have now happened. I have only to reiterate the substance of my remarks to the Hon. Treasurer on this subject when the Estimates for the current year were under consideration; viz., "that this office cannot be carried on satisfactorily without another assistant to replace Mr. Atkinson, or, in the absence of another clerk, additional provision must be made for extra clerical assistance, otherwise the routine work of the office must eventually get into a backward state, and the natural consequences of an insufficient staff must follow. * * "The work of the office has increased and is on the increase daily on this side of the island, more particularly in the mining districts." Again, on the 25th of the same month I wrote: "Clerical assistance an actual necessity; I see no prospect of dispensing with it." Although I complained as above, and also at other times (for particulars see copies of my letters now enclosed) no increase to the staff was made, and the result was that there was a continual hurry and rush in the office. The books will show that hundreds of payments were made daily for weeks together; every man's hands were too full of work,—more than could be done,—yet correctness and regularity were expected; and I—whilst pointing out the only remedy for this state of things by letter after letter, but without any result, being denied it—was still expected to be a guarantee against loss. Matters were thus from the time of Mr. Atkinson leaving the office until the retirement of Mr. King from overwork, in August of that year—admittedly the best clerk I have had—and deficiencies were even found in his work. Affairs became much worse afterwards. Although I pointed out that his successor should be a competent accountant and possessed of a thorough knowledge of accounts and ledger keeping (*vide* my letters to Mr. Butler of the 9th and 15th July, 1883), yet no such qualified person was nominated. Mr. King went away when his month's notice had expired, and matters were getting into confusion for want of a fitting person to do his work; but delay after delay occurring, as my letters will show, I was at last forced to the expediency of suggesting a junior, Mr. M'Queen, in Mr. King's place, on approval, the work increasing and accumulating meanwhile. At this time things had become such that I was writing to Mr. Butler: "Please inform the Hon. Treasurer that the present staff is totally inadequate to the daily requirements of the office, and unless additional assistance is immediately granted the accounts and books will, I fear, get into confusion and disorder. Every day's delay adds to the difficulties arising from an insufficient staff"—(see my letter of 17th August, 1883). My anxiety at this time is exhibited in my letters. Mr. M'Queen now showed himself quite incapable of discharging the duties hitherto performed by Mr. King. So early as the 7th January, 1884, I wrote: "More work cannot be done by the present staff" * * "I have from time to time pointed out that the work is increasing enormously year by year, and that the staff has been reduced in number and efficiency. The returned demands for duty arising from changes of occupancy, &c. number close upon 2000. As I have before stated, the staff is not equal to the requirements of the office, and since the resignation of Mr. King it has become every day more and more apparent that Mr. M'Queen, who succeeded him, is not able to discharge his duties satisfactorily, and consequently

nearly the whole time of the junior is occupied in assisting him. Mr. M'Queen is willing, but he had no previous training, and no knowledge whatever of keeping books or accounts, and he is sadly deficient." Notwithstanding my complaints, however, I am still left with an insufficient and incapable staff to carry on an enormously increasing business. On the 21st March, 1884, I again write: "In fact Mr. M'Queen ought to be removed from his present position as soon as possible, as he has shown himself totally incapable of carrying out the very important duties of his office, and, consequently, part of his work has to be done by others; and this state of things does not conduce to the public interest, but rather the reverse. I therefore wish the matter brought under the immediate attention of the Hon. Treasurer, with the hope that an efficient accountant may be appointed as soon as practicable; and I would desire to bring under the notice of the Hon. Treasurer that, whilst doing all I possibly can towards the proper and efficient discharge of the duties of the office, it is utterly impossible that I can do so to my own satisfaction under present circumstances, and I most respectfully request that my responsibility may be held in abeyance until a thoroughly competent clerk is appointed and the books examined and a balance brought out."

In the face of the above is anything more required to explain "why the Collector has permitted the work of his office to be conducted in such a manner as to bring about the irregularities complained of?" The numerous quotations show conclusively that there has been no "permission" on my part, but that I have been absolutely denied the means of preventing the "irregularities" continually pointed out. I thought my letter of the 10th June last would have removed any impression that I had "neglected to carry out instructions." How such an impression arose I cannot think, but that it should continue after that letter leads me to fear that my remarks have not been carefully perused. To avoid repetition, I would refer to that letter again. When I took office there was no system of accounts for my guidance, and I had to introduce one based upon that carried out in the banking institutions of the Colony. That continued to be used until the admirable check system as suggested by the Auditor (*vide* his letter of the 7th August, 1884.) Previous to the receipt of the Auditor's instructions, the Commissioner had, on the 19th March, 1884, sent an account book, "Demand Check Book," with instructions to enter all moneys when received. The book was opened on the 22nd March, in accordance with such instruction. Again, on the 3rd April, 1884, the Commissioner writes calling my attention to a Memo. by the Hon. Treasurer, dated 1st April, 1884, with instructions for me to keep the accounts in the same way as those at the Hobart office. The Commissioner writes: "I understand the instructions of the Hon. Treasurer to refer particularly to keeping the 'Demand Check Book,' which was originally suggested by the Auditor." The system, as I before stated, I adopted in conformity with the directions of the Commissioner two days after the book reached my hands. The "Demand Check Book" was condemned by the Auditor on the 7th April, 1884, and I ceased to use it after that date, and adopted the new system of the Auditor as before stated. Being at a loss to know what instruction *re* accounts had been received from the Auditor, I wrote to Mr. King, and beg to enclose a copy of his reply for your information. I now ask, can any instructions either from the Auditor or the Commissioner, from the opening of the office up to this date, in reference to keeping the accounts, be pointed out which I have disregarded or failed to give effect to? Mr. King was Chief Clerk from the opening of the office until the 7th August, 1883. He proved himself a most efficient clerk, but even during his term of office deficiencies have been found, but no one, I think, will for a moment consider they were anything else than omissions during the press of business; and had the staff not been reduced, and had been increased, as I was continually asking, these errors would not have occurred. Then, during Mr. M'Queen's term, was it the disregard by me of any instructions that can be named which brought about his defalcations, or did it arise from the fact that a mere office lad was performing duties requiring the skill of a clever and experienced accountant? The whole of Mr. M'Queen's defalcations, at least, would have been avoided had my suggestion in the first instance for the appointment of an efficient accountant been carried out.

I by no means think it improbable that the hypothesis of Mr. King, that receipts may have been issued in error, would partly account for apparent deficiencies, especially when the great number of them is taken into consideration, and I still think that an opportunity should be afforded Mr. King to check over the vouchers asked for through the Commissioner. With respect to the discovery of money and stamps in the office, I would say that, from the time of the missing letters from Circular Head and other places, I have repeatedly urged Mr. M'Queen to turn out his desk and drawers, and ultimately the bulk of the money and stamps referred to was found in a private cupboard exclusively used for keeping the volunteer's uniform, &c. used by him.

If I have not succeeded in entirely removing from the mind of the Hon. Treasurer the impression of mismanagement and neglect so repeatedly brought against me by the Auditor, I beg respectfully to invite a thorough investigation into the working and management of the office since it was opened, and I will be prepared to make good all deficiencies if such enquiry shows that the deficiencies have arisen from any cause other than the incapacity and insufficiency of my staff. All the irregularities named by the Auditor are traceable to these causes, and have arisen notwithstanding my best efforts to prevent them, and my repeated warnings that such would be the result of a too close regard to the economical working of the Department.

I have, &c.

SAMUEL HENRY, *Collector.*

The Hon. the Treasurer.

Sixth Paragraph of the Report of the Board.

Sixthly—That the duties to be performed were of a simple character, requiring nothing beyond ordinary organization, care, and attention.

The evidence will show that I gave every care and attention to my duties,—carried out every instruction received,—and I can honestly say I worked hard and devoted the whole of my time and energies to the work of my office; I hardly ever left my office from 10 A.M. until 4.45 P.M. every day except Saturday, when I left in time to leave by the 12.40 train. The Hon. Premier can testify that I was always to be found in my office, for he had to make repeated visits to me in reference to matters that required my attendance at his office, and I could not attend at all times when he required me, and eventually was constrained to hand my interests to my friend Mr. Hartnoll to be done by him. This I did because I could not spare the time from the work of the office.

Seventh Paragraph of the Report of the Board.

Seventhly—That the working of the Office exhibits a grave state of confusion and disorder, which has resulted in considerable and unnecessary annoyance to the public, an enormous accumulation of arrears of work, and a sum of £441 0s. 11d. unaccounted for.

The foregoing necessarily entailed an undue pressure of work upon the Colonial Auditor and his staff, and an expense out of all proportion to that incurred with other Public Departments.

Here, again, is a gross error in the finding of the Board. The reported deficiencies are not £441 0s. 11d. as stated by the Board, as about £300 of this amount is accounted for by a return prepared by Mr. Hogg, on 7th August, 1884, and forms part of the evidence. This Return shows the total number of items outstanding for the year 1882 (as per Return made for the Auditor, dated 2nd August, 1884) to be 1755, and amount of rates £806 17s. 1d., whilst the number of items outstanding for the same period, as per Local or District Rolls, are 1189 items, and the amount of Rates uncollected show £525 12s. 8d., being a difference of £281 4s. 5d., which the Board, notwithstanding the evidence to the contrary, has reported as a deficiency—(see page 181, Extract J., also Treasurer's letter thereon, 9th January, page 125). In reference to the £145 11s. 0d., the amount mentioned in the Treasurer's letter, and considered by him to be deficient, I was willing to go through the books if assistance were allowed me—(see my letter to Treasurer, pages 125, 126); but that reasonable request was flatly refused—(see Treasurer's letter, last paragraph, page 128.)

St. Leonard's, 14th January, 1885.

SIR,

I HAVE the honor to acknowledge your communication of the 9th instant, in reply to my letter of the 31st ultimo asking for information in reference to the extraordinary and unwarranted action of the Government

in my wrongful dismissal, and refusal to pay the salary due to me up to the end of December. I thank you for the information contained in your letter as to the amounts, or balance said by you to exist between the receipts by, and the payments out of, my department. This balance amounts to £426 16s. 11d., made up, according to your letter, as follows:—£145 11s. “has been lost to the Treasury, and that there is an unexplained further deficiency of £281 5s. 11d.” This latter amount (£281 5s. 11d.) has already been accounted for by a Return dated the 7th August, 1884, showing that amount as the difference between the Commissioners’ and the Local rolls. I now enclose a copy of the Return for your information. The original was made out by Mr. Hogg, and is amongst the evidence taken by the Board of Enquiry, and marked Exhibit J; a copy will be found in the proper book in the Office on the date named. I am surprised at the persistency of the Auditor in treating this amount as in any way deficient, when he must know beyond all doubt or cavil that the Return is correct; but it illustrates the old adage, “There are none so blind as those who will not see.” In reference to the other amount (£145 11s.) which you say has been lost to the Treasury, I again unhesitatingly reiterate my previous reply, that if the rolls for the several years are corrected and the totals taken and balanced with the total amounts paid into the Treasury no such amount as £145 11s. will be found deficient. I am borne out in this belief by the repeated assertions of Messrs. King and Atkinson. Whether the amount is attributable to errors or, as the Auditor states, the result of deliberate frauds, I most emphatically protest against the action of the Government in holding me responsible for such frauds. However, I am willing, if assistance be granted me for the purpose, to go over the books and to do my best endeavour to bring out a correct balance. In consenting to do so I desire to protest in the strongest terms against the arbitrary and high-handed decision of the Ministry. There are other queries contained in my letter of the 31st ultimo to which I have received no replies. I have now the honor to refer you to them, with a hope that I may receive your answers thereto as early as convenient.

I have, &c.

SAMUEL HENRY.

The Hon. the Treasurer, Hobart.

RETURN showing the Total Number of Items and Amounts outstanding for each District, Police Rate, for the year 1882; compiled from the Issue Demand Book.

District.	No. of Items.	Amount.	TOTAL NUMBER of Items and Amount outstanding for Police Rate, 1882, as per Return of 2 [8] 84. Compiled from Commissioners' Rolls, i.e., old issue.	
		£ s. d.		
Emu Bay	166	83 10 8	Items. Amounts. 1755 £806 17s. 1d. 1189 £525 12s. 8d.	
George Town ..	177	70 4 2		
Portland	245	116 11 2		
Port Sorell	390	127 12 1		
Russell	28	9 9 0		
Selby	183	118 5 7		
Total	1189	525 12 8	566	£281 4s. 5d.

SAMUEL HENRY, Collector.

Real Estate Duty Office, Launceston,
August 7, 1884.

I observe that no credit has been given for a sum of £4 5s. 3d., the balance of Mr. M'Queen's salary, which has been paid into the Launceston office, the receipt for the same I now attach to this statement:—

October 24th, 1884.

RECEIVED from SAMUEL HENRY, Esq., the sum of Four pounds five shillings and three pence, as per memo. at foot.

£4 5s. 3d.

F. FERGUSON.

DR.		£ s. d.
Mr. Stewart M'Queen's salary for May		5 3 3
CR.	s. d.	
No. 274. Blair, Deloraine ..	2 6	{ Amounts received by Mr. M'Queen not taken to account, but subsequently paid by Mr. Henry by salary retained.
542. Harrison, ditto ..	4 6	
Beswick, Cressy ..	11 6	
	18 6	0 18 6
		£4 5 3

F. FERGUSON.

Eighth Paragraph of the Report of the Board.

Eighthly.—That this condition of affairs has been brought about by the want of industry and intelligence displayed by the Collector, and the lack of official capacity (though needing no special reference here) contributed to the faulty working of the Department; as evidenced (1) by his having failed to carry out the scheme laid down by the Audit Department in accordance with which his accounts should have been kept; (2) by his having allowed an enormous number of returned letters to remain undealt with; (3) by his having entirely neglected to inspect and check the work and books of his officers, especially that of the cashier; (4) by its having been possible for stamps to the value of about £50, and letters containing remittances to nearly £20, to have remained undiscovered in his office for a considerable time; and (5) by his having failed to recognise in any degree his responsibilities as head of the Office.

I deny *in toto* the finding of the Board under No. 8. I assert the evidence of Mr. Butler and Mr. Lovett also will show that all instructions received from either of them, and also from the Treasurer, were at once carried out to the letter. That I carried out the scheme of accounts by opening and by using the several books immediately they reached the office, the evidence of Mr. King and the correspondence go to prove. That the greater part of the letters and demands found unopened in the office were returned Police Rate Demands, which could not be enforced owing to the defective state of the law, and the Act had to be amended the following Session of Parliament. I pointed this matter out to Mr. Butler at the time, stating that the Police Rate could not be enforced, as the Commissioners' Rolls were no longer in force, and the duty by the alteration of the law had to be collected upon the District Rolls. This change of the law will account for the sum of about £300, which the Auditor will continue to consider as deficient. The irregularities and accumulations of work were the natural outcome and consequent upon an insufficient and inefficient staff. This is my reply to the several findings of the Board in this paragraph, and in confirmation I submit the attached letters.

I submit for the information of the Committee the attached letter, received by me from T. B. Blyth, Esq., of Campbell Town, who is enabled to form an opinion upon my industry and fitness to discharge my duties during the time he acted with R. H. Douglas, Esq., as revising Justices under the Real and Personal Estates Duties Act.

Fosterville, Campbell Town, 12th August, 1885.

MY DEAR SIR,

WHEN I met you in the train some time ago, I was much concerned to notice your altered appearance arising from illness. I have no doubt your recent troubles were in some measure the cause. I have long had it on my mind to write and tell you how sorry I have been to read from time to time in the papers of the treatment you have received in connection with the Real Estates Duties Department, and I have always thought the Government behaved very harshly to you in the matter. I am not fully acquainted with all the circumstances connected with the case, but I feel convinced that full investigation would prove that the irregularities complained of arose from no want of industry on your part. My experience of you will not allow me to think otherwise. During the time I was associated with you officially I had an opportunity of forming an estimate of your capacity for business. It is true we often differed in opinion, but I have always said that I never met a gentleman who showed more zeal in the performance of his duties or more capacity for work than yourself. It was, therefore, with surprise and incredulity that I read the various charges of neglect and irregularity that were brought against you. Seeing in the paper that Mr. Reibey intends to bring your case before the Parliament, I am reminded to write you these few lines as an expression of sympathy, which, though tardy, is sincere.

I am, &c.

THOS. B. BLYTH.

SAMUEL HENRY, Esq.

Neither this paragraph nor the following one, No. 10, requires any remarks from me.

Ninth Paragraph of the Report of the Board.

Ninthly.—That the Commissioner at Hobart has failed in his duty as head of the Department of which the Launceston Office is a Branch, in not personally making himself acquainted with the details of the working of the Launceston Branch and insisting upon a proper system of check being maintained, and the current work being properly done. Had he done this the affairs of the Office could never have drifted into the state described. We are not of opinion that the attitude assumed by the Collector in any way interfered with Mr. Butler performing this most necessary portion of his duty.

Tenth Paragraph of the Report of the Board.

Tenthly.—We find that, with the exception of Mr. Henry, no officer of the Department has given security for the due discharge of his duty.

In conclusion, the Board having in view the gravity of the circumstances involved in this inquiry, considered it proper to afford Mr. Henry every facility in being present, in cross-examining witnesses, reference to books, papers, and documents, and at his solicitation granted him from its rising at 1 P.M. on Saturday, the 1st instant, until Tuesday, the 4th instant, at 2 P.M., to prepare a statement in reply to the representations against him, instead of, as is customary in such inquiries, requiring him to make an oral statement (if he so desired) at the conclusion of the examination of witnesses.

We append the evidence, with the exhibits attached.

I was relieved from my duties on the 1st September and was dismissed on the 31st December following (4 months), and the Executive Council directed that no salary should be paid for the period during which I had been relieved from duty, unless "you satisfactorily explain the deficiencies brought under notice." I have already shown that the Treasurer refused to allow me the necessary assistance to enable me to do so. My salary for the four months amounts to £100, but the Treasurer has also kept back my salary for the month of August, £25, also my expenses incurred in waiting upon Ministers last December, amounting to £6 15s.—particulars have been furnished to the Treasurer. My claim against the Government amounts to £131 15s.

[TELEGRAM.]

Hobart, 17th December, 1884.

MINISTERS will see you at the Chief Secretary's Office on Friday, 3 P.M. Reply.

W. H. BURGESS.

S. HENRY, Esq., St. Leonard's.

The Hon. THOMAS REIBEY, M.H.A., Chairman.