

A GRAVE AND SERIOUS MATTER FOR MR. GOODISON, M.H.A.

Mr. Halfyard Exposes in the House the Serious Condemnation by the Auditor General of Mr. Goodison's Action in Connection with Expenditure of Public Monies in Carbonear District--- Mr. Goodison, Under Oath, Admits That He Had No Legal Right to Authorize Such Public Expenditure

The Auditor General Says the Conduct of the Member for Carbonear Distinctly Irregular, His Action a Clear Breach of Rule 10 Made Under the Audit Act--Public Monies Were Misused--Construction of Roads on Private Property Clearly Irregular-- Undue Interference by Unauthorized Individuals in the Expenditure of Public Monies--Matter to be Dealt With by the House This Afternoon--Dr. Lloyd Asks that the Speaker be Given an Opportunity in Committee to Defend Himself-- The Truck System in Carbonear District Revealed in a Most Despicable Form of Patronage--Monies Given Out for Which No Work Was Performed, Men Not Even Asked to Work for Same.

MR. SPEAKER.—I beg to move the adjournment of the House for the purpose of discussing a definite matter of urgent public importance.

It is quite within the memory of this House that during the last session of the Legislature I gave notice of motion that I would move for the appointment of a Select Committee to consider certain alleged irregularities in the expenditure of public monies at Victoria Village and vicinity as per letter of Authority dated May 16th, 1914, and July 22nd, 1913.

Also in the expenditure of Public Monies from Carbonear to New Perlican as per letters of Authority, dated May 16th, 1914, and May 21st, 1913.

Also in the expenditure of Public monies on account of Special Works in the District of Carbonear as per letter of Authority dated May 12th, 1913.

The Premier, Sir E. P. Morris, pointed out at the time that the Legislature would close within a week, and the time was therefore inopportune for a Select Committee to make an investigation and report to the House during the Session, but if I would withdraw the motion that he, the Premier, would instruct the Auditor General to proceed to Carbonear and there enquire into the expenditures of public monies, accordingly I withdrew my motion and it did not appear on the order paper.

The Auditor General, Mr. Berneau, was therefore about to proceed to Carbonear shortly after the close of the Legislature of 1915, but it was learned that many of the men who could assist in giving evidence, etc., at the enquiry had left their homes for a summer's work at Sydney, Cape Breton, consequently the investigation was not held till the month of February of this year, when the men had returned to their homes for the winter.

The report of the investigation held by the Auditor-General together with the evidence taken have been laid on the table of the House and upon my perusal of the same, in my opinion, I feel that I would be shirking my responsibility as a Representative of the people and unworthy of the respect and support of those who elected me to a seat in this Legislature if I should neglect to bring to the attention of this House and to the Public the result of that enquiry.

Therefore for the benefit of the Members of this House who have not seen this report I purpose to read the report of the Auditor-General, the affidavits and sworn statements of the various witnesses.

The Auditor-General's Report

26 February, 1916.

SIR,—

Agreeably with your request and in fulfillment of your promise to Mr. Halfyard, M.H.A., made during the last session of the Legislature that I should proceed to Carbonear and there enquire into the following expenditures of public monies, viz:—

EXPENDITURE by Edward J. Clarke on account of Local Roads in Victoria Village and vicinity thereof as per Letter of Authority dated May 16th, 1914, allocating \$200.00 for this service.

EXPENDITURE by Edward J. Clarke on account of Local Roads in Victoria Village and vicinity thereof as per Letter of Authority dated July 22nd, 1913, allocating \$114.00 for this service.

EXPENDITURE by Edward J. Clarke on account of Main Road from

Carbonear to New Perlican as per Letter of Authority dated May 16th, 1914, allocating \$200.00 for this service.

EXPENDITURE by Edward J. Clarke on account of Main Road from Carbonear to New Perlican as per Letter of Authority dated May 21st, 1913, allocating \$300.00 for this service.

EXPENDITURE by Edward J. Clarke on account of Special Works in the District of Carbonear on Special work, viz: for the construction of a well at the Neck and roads in Victoria Village as per Letter of Authority dated May 12th, 1913, allocating \$150.00 for this service.

I visited Carbonear in the early part of the present month and held the enquiry. The delay in holding the investigation was due to the absence, at Sydney, of nearly all the witnesses, who did not return until late in December or in January.

In connection with the enquiry I have the honour to report as follows: viz:—

There was no evidence adduced which would tend to show that the Chairman has been guilty of appropriating to his own benefit any of the public monies entrusted to him.

There was, however, sufficient evidence to show that he was to some extent indirectly a party to what is, in my opinion, a grave misuse of public monies allocated for special purposes.

It is necessary that I should call attention to a case in which the Chairman, apparently, paid a labourer for one day's work which he, the labourer, says he did not perform. In his evidence ROBERT W. CLARKE says:

"Mr. Clarke (the Chairman) paid me for one day's work I did not work for. Didn't tell me why he paid me the extra money. I hadn't time to work out the extra day's work as I was going to Sydney. I knew I was taking more money than I earned but I made no objection."

This is the only case in the evidence given in which the Chairman gave an order for the payment of money for work which he had apparently apportioned but which had not been done. As the Chairman (who was present during the whole examination) raised no objections to this statement, I am of opinion that he believed the witness had worked two days. The irregular method, if method it can be called, employed in accounting for the work, the absence of regular Inspector's payrolls, the intermittent inspection and the absence of the Chairman, all render the making of a mistake such as this possible and even probable. So far as the evidence shews, he did not contribute directly in giving out the work payment for which entailed the misuse of public funds. He was however a party to this irregularity inasmuch as he paid these men (in some instances, directly; in others, by orders on Mr. Nicholas Powell, who had made advances in goods to the men), he entered the men's names on the Public Works return sheet and he signed the certificates required by these returns although he did not set the men to work and, apparently, did not know, in many instances, if they had done the work for which he was paying. He does not appear to have fully realized the responsibility attached to his position.

A consideration of the evidence given established clearly the following, viz:—

1. The Chairman and Members of the Road Board have clearly failed to appreciate, in its fullest extent, the duty which they, holding a public trust, owe to the public. The Chairman paid over public moneys without personally acquainting himself as to whether the work, for which payment was made, was performed. He paid for work which he did not authorize. He certified returns for work done of which he knew nothing. This was due to some extent to much of the work having been authorized and performed during his absence. But he could have informed himself by applying to the men who had worked and, in any case, his inspectors could have given him some information. These latter appear to have performed their duties in a very perfunctory manner.

2. Public moneys were misused. Allocations were made for a definite purpose, i.e. repair of main line and local roads and the construction of a well. To apply these moneys to the purpose of poor relief and repair and construction of roads partly, if not entirely, on private property, is clearly irregular. Evidence to the contrary notwithstanding, there exists in my mind no doubt that much work was done for private benefit.

3. The undue interference by unauthorized individuals in the expenditure of public moneys. No person other than the Chairman of the Road Board had any authority to send any one to work, to advance money on account of such work, or to direct the payment thereof, whether completed or not. The plea that the Chairman was absent and that the difficulty of obtaining a competent person to accept that position was insuperable, deserves some consideration. It seems to me, however, that failing the Chairman, some other Member of the Board, or the Board acting in Commission, should have undertaken the work.

4. The construction of the well ("at the Neck") was ordered by the member for the District, and the liability for payment thereof was incurred both before the Public Works Department had authorized the work and had made allocation for the service. The intervention of the Member for the District in the matter was distinctly irregular. He could recommend the Public Works Department to authorize the construction of this well, but his recommendation should not have post-dated the completion of the work which he, personally, had authorized. His action is a clear breach of Rule 10 of the Orders-in-Council made under the provisions of the Audit Act. This rule, which has all the force of law, reads as follows:—

"Expenditure Under Legislative votes may be authorized by the head of a Department on account of appropriations managed by his Department, so soon as he has been notified by the Treasury Board as to the votes assigned to his Department, but he shall not operate in any way on such appropriations until such notification has been transmitted to him, and a letter of credit has been issued in his favour. Nor shall he expend, during the first six months of any year, a sum greater than two-thirds of the appropriation under open vote. PROVIDED FURTHER THAT NO PERSON OR PERSONS OTHER THAN THE GOVERNOR-IN-COUNCIL OR THE HEAD OF A DEPARTMENT (so far as the votes managed by his Department are concerned), SHALL HAVE THE POWER TO AUTHORIZE THE UNDER-

"TAKING OF ANY WORK OR THE INCURRING OF AN EXPENDITURE UPON ANY APPROPRIATION ACCOUNT. Votes which are by statute placed under the control of the Governor-in-Council shall not be operated upon until specifically allocated by Order-in-Council and placed by such order under the management of a Departmental head."

Mr. Goodison, in his evidence, when asked what right he had to authorize the construction of this well, says: "I understand I have no legal right to authorize such public expenditure, I have followed the custom of the Country in this respect."

With regard to this reply I have to say that no plea of expediency (as to assuming the direction of road matters in the absence of a Chairman) or of the impoverished condition of the people (as to authorizing advance on work to be done, to people in want) or of custom, should be allowed to hold good against the well recognized principle that those officials only who are responsible to the Legislature should be permitted to dispose of the public moneys entrusted to their care by act of that Body.

These then are the principle points brought out by the enquiry. There are others of minor importance which a desire to be as brief and concise as possible has led me to pass by. Those given are, however, sufficient to show (if my conclusions are correct) that the allocations which are the subject of this enquiry have not been managed with that strict regard to the requirements of the Public Service and of the Audit Acts which should govern the action of the persons responsible for their management.

In conclusion I desire to draw attention to the evidence and affidavit of the witness George Peckham.

In his affidavit (T.P.I.) he says he did not perform any work on a well or any road on the Neck for the \$10.00 he is alleged to have received as per return sheet dated May 12th, 1913, for an allocation of \$150.00. That he was not asked by any person to do any work whatsoever for the said sum. In his evidence he also says he did no work for the \$10.00 and admits he signed a receipt for this money. The receipt (J.R.G.F.) is as follows: "Received from Nicholas Powell the sum of Ten Dollars, Special Roads, to repair road near my house. Sgd. George Peckham, Victoria Village, April 21st, 1913."

It is quite clear that this man and others of the witnesses obtained money on the promise to do certain work which they did not do. They certainly should be made work out the value of the advances given them.

I have the honour to be, Sir,
Your obedient servant,
Sgd. F. C. BERTEAU,
Comptroller and Auditor General.
The Right Honourable
The Prime Minister.

Sworn Affidavits of George Ed. White, Achibald Newman and George Peckham of Victoria Village

I, GEORGE EDWARD WHITE, of Victoria Village, Newfoundland, Laborer, make oath and say as follows:—

(1) That I received an order from Mr. J. R. Goodison upon Mr. N. Powell of Victoria Village for the sum of Two Dollars.

(2) That I received value for said order at Mr. Powell's store.

(3) That I never performed any labour for the sum of Two Dollars which appears opposite my name upon the Government Return Sheet, dated July 22nd, 1913, for an allocation of \$114.00.

(4) And that I was never asked to perform any labour for said sum appearing opposite my name upon said Return Sheet.

Sworn by the said GEORGE EDWARD WHITE at Victoria Village, on the 15th day of May, 1915, this affidavit having been first read over to the deponent who seemed perfectly to understand the same, and who made his mark thereto in my presence.

Before me, His
GEORGE EDWARD X WHITE,
LEONARD ASH Mark,
Commissioner.

(COPY)

I, ARCHIBALD NEWMAN, of Victoria Village, Newfoundland, Fisherman, make oath and say as follows:—

(1) That I never entered into any contract for the sum of Two Dollars as alleged on the Government Return Sheet of Victoria Village, dated May 16th, 1914, for an allocation of \$200.00.

(2) That I never performed any work whatsoever for said sum alleged to have been paid me according to the said Return Sheet.

(3) And that I did not sign my name, nor make my mark or order anybody to do so for me upon said Return Sheet.

Sworn by the said ARCHIBALD NEWMAN at Victoria Village, on the 15th day of May, 1915, this affidavit having been first read over to the deponent, who seemed perfectly to understand the same, and who made his mark thereto in my presence.

Before me, His
ARCHIBALD X NEWMAN,
LEONARD ASH Mark,
Commissioner.

(COPY)

I, GEORGE PECKHAM, of Victoria Village, Newfoundland, Fisherman, make oath and say as follows:—

(1) That I received from Mr. N. Powell at his store in the Spring of 1913 a sum of Ten Dollars at the instance of a telephone order from Mr. J. R. Goodison.

(2) That I did not perform any work on a well or any road on the Neck, as is alleged on the Government Return Sheet dated May 12, 1913, for an allocation of \$150.00.

(3) That I did not sign my name, nor make my mark, nor authorized any person to do so for me upon said Government Return Sheet.

(4) That I was not asked by any person to do any work whatsoever for the said sum given me by the said Mr. J. R. Goodison through said Mr. N. Powell.

Sworn by the said GEORGE PECKHAM at Victoria Village, on the 22nd day of May, 1915.

Before me, (Sgd.) GEORGE PECKHAM,
LEONARD ASH, Commissioner.

(COPY)