

1895.
NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE

(REPORT OF THE, ON THE INQUIRY INTO THE MANNER IN WHICH THE CONTRACT OF MESSRS. BRISCOE, MACNEIL, AND CO., FOR IRONMONGERY, ETC., HAS BEEN CARRIED OUT, TOGETHER WITH MINUTES OF PROCEEDINGS AND EVIDENCE, AND APPENDIX).

Report brought up on 22nd October, 1895, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

FRIDAY, THE 21ST DAY OF JUNE, 1895.

Ordered, "That a Committee be appointed to examine into and report upon such questions relating to the Public Accounts as they may think desirable, or that may be referred to them by the House or by the Government, and also into all matters relating to the finances of the colony which the Government may refer to them; five to be a quorum. The Committee to consist of Mr. Guinness, Mr. G. Hutchison, Mr. Lang, Mr. Montgomery, Dr. Newman, Mr. Saunders, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, and the mover."—(Hon. Mr. SEDDON, for Hon. Mr. WARD.)

WEDNESDAY, THE 24TH DAY OF JULY, 1895.

Ordered, "That the names of Mr. T. Mackenzie and Mr. J. McGowan be added to the Public Accounts Committee."—(Hon. Mr. WARD.)

TUESDAY, THE 24TH DAY OF SEPTEMBER, 1895.

Ordered, "That the names of the Hon. Mr. Larnach, Mr. Hogg, and Mr. Button be added to the Public Accounts Committee."—(Hon. Mr. WARD.)

WEDNESDAY, THE 25TH DAY OF SEPTEMBER, 1895.

Ordered, That the name of Mr. Hogg be discharged from the Public Accounts Committee, and the name of Mr. T. Thompson substituted in lieu thereof."—(Hon. Mr. SEDDON.)

REPORT.

1. THE Committee find that on the 31st day of January, 1895, the Government, through the Public Works Department, entered into a contract with Messrs. Briscoe, MacNeil, and Co. for the supply of general ironmongery, iron, steel, ship-chandlery, cement, lime, drain-pipes, and tents for the current year ending 31st December, 1895.

2. That it had been alleged by one James Hendry Jenkins, a former employé of the contractors, that in carrying out the said contract they wilfully made certain overcharges and mistakes of weights and measures in respect of goods supplied.

3. The Committee have sat for twenty-two days hearing evidence, and have examined twenty witnesses for and against the allegations made.

4. From the evidence given by the said J. H. Jenkins, and Messrs. Gellatly (manager) and Bridson (ironmonger), for the contractors, and Messrs. Blow, Wilson, Ibbetson, Turner, and Biddell, officers in the service of the Government, the Committee find that there has been carelessness and looseness on the part of the contractors in connection with the delivery of goods under the said contract, and for these irregularities the Committee consider the manager and servants of the contractors responsible; but there is no evidence of fraud on the part of the contractors.

5. The Committee find that there was a number of errors in the vouchers sent by the contractors to the Government. These errors consisted for the most part of errors in weight and price, or were owing to wrong or inferior goods being supplied. They were, however, in many instances satisfactorily explained; but in connection with the supply of tents an instance was brought before the Committee in which very inferior tents were supplied in lieu of tents according to sample ordered by the Government.

6. The Committee also find that under the terms of the contract the several Government departments have the right to order and take separate delivery of goods. The Committee also find that the Railway and Marine Departments maintain efficient checks upon goods received from contractors. The Public Works and Lands and Survey Departments each exercise a fair check on goods supplied where delivery is taken at Wellington. When, however, goods are sent by the contractors to the order of the several departments outside of Wellington the Committee are of opinion that the present system of check is defective.

7. The Committee therefore recommend that a more efficient system of check should be established by the Government, whereby all goods purchased should be, in the first place, taken delivery of at central stores in the several chief cities, and afterwards distributed to the different departments for the works as required. While such a system might entail some extra expense in handling goods, yet the Committee consider a greater compensating benefit would accrue to the colony by the safer and more satisfactory management of such important and necessary annual business.

8. During the course of the investigation it came to the knowledge of the Committee that the managing partner at Wellington of Messrs. Briscoe, MacNeil, and Co. had been accepted by the Government as bondsman for the proper carrying-out of their contract. The Committee think that this is objectionable, and that a bondsman should have no interest as a partner in any contract with the Government.

22nd October, 1895.

W. J. M. LARNACH,
Chairman.

MINUTES OF PROCEEDINGS.

WEDNESDAY, 25TH JULY, 1895.

Present: Mr. Guinness, Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Dr. Newman, Mr. Saunders (Chairman), Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, Hon. Mr. Ward.

The Orders of Reference of the 21st and 24th June, 1895, read by the Clerk.

Election of Chairman.

On the motion of the Hon. Mr. Ward, *Resolved*, That Mr. Saunders be appointed Chairman.

Briscoe, MacNeil, and Co.'s Contract—

Mr. G. Hutchison gave notice to move, That this Committee investigate the manner in which the contract of Messrs. Briscoe, MacNeil, and Co. with the Government has been performed, and that the Minister for Public Works be requested to arrange for the attendance of the Crown Solicitor to conduct the proceedings before the Committee.

FRIDAY, 2ND AUGUST, 1895.

Present: Mr. Guinness, Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Dr. Newman, Mr. Saunders (Chairman), Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, Hon. Mr. Ward.

The minutes of the previous meeting read and confirmed.

Mr. G. Hutchison moved, That this Committee investigate the manner in which the contract of Messrs. Briscoe, MacNeil, and Co. with the Government has been performed, and that the Minister for Public Works be requested to arrange for the attendance of the Crown Solicitor to conduct the proceedings before the Committee.

After discussion it was resolved, on the motion of the Hon. the Premier, to adjourn the further consideration of the motion till Friday next.

The Committee then adjourned until Friday next, at 11 o'clock a.m.

FRIDAY, 9TH AUGUST, 1895.

Present: Mr. Guinness, Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Mr. Saunders (Chairman), Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, Hon. Mr. Ward.

Minutes of the previous meeting read and confirmed.

Mr. Alexander MacNeil, of Melbourne, a member of the firm of Briscoe, MacNeil, and Co., attended the Committee, and stated he was passing through Wellington on his way back to Australia, and said that whilst in Dunedin he had seen a telegram in the *Dunedin Star* that the Committee was to inquire into the manner their contract had been carried out; and he asked that at any such inquiry his brother, Mr. Hugh MacNeil, of Dunedin, should be allowed to be present.

After discussion it was resolved, on the motion of the Hon. Mr. Seddon, To strike out from Mr. G. Hutchison's notice of motion the following words: "the Minister for Public Works be requested to arrange for the attendance of the Crown Solicitor to conduct the proceedings before the Committee," and to insert in lieu thereof the following: "Messrs. Briscoe, MacNeil, and Co. may be represented before this Committee, and that the Crown be represented by counsel; and also that a copy of the charges be supplied to Messrs. Briscoe, MacNeil, and Co.; and that the Public Works Department be asked to furnish to the Committee a statement in connection with the matter."

The Chairman asked the Committee to express an opinion whether this matter was a proper question to be referred to the Committee.

Upon the question being put, it was resolved in the affirmative.

Resolved, That the inquiry be commenced on next Tuesday week.

Resolved, That Messrs. J. A. Jenkins, care of Tayton and Erskine, Wellington, and Mr. Hugh MacNeil, of Dunedin, be summoned to attend.

TUESDAY, 20TH AUGUST, 1895.

Present: Mr. Guinness (Chairman), Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Dr. Newman, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, and Hon. Mr. Ward.

In the absence of Mr. Saunders, Mr. Guinness was, on the motion of Mr. G. Hutchison, voted to the chair.

The minutes of the previous meeting were read and confirmed.

The Clerk announced he had written to Mr. Jenkins for a written statement of the charges, but so far had received no reply.

Mr. G. Hutchison handed in a statement containing items of alleged overcharges, and copy of a letter signed by Mr. Jenkins, dated the 10th May, 1895, addressed to Mr. A. W. Gellatly, of Messrs. Briscoe, MacNeil, and Co.

The following attended: Mr. James Hendry Jenkins; Mr. H. J. H. Blow, Under-Secretary for Public Works Department; Mr. Leonard G. Reid, Assistant Crown Law Officer (as counsel for the Crown); Mr. Hugh MacNeil, the younger, of Dunedin; Mr. Alexander W. Gellatly, manager in Wellington for Messrs. Briscoe, MacNeil, and Co.; and Mr. C. P. Skerrett, counsel for Messrs. Briscoe, MacNeil, and Co.

Some discussion ensued as to the procedure of conducting the inquiry.

The witnesses and counsel in attendance were asked to withdraw.

A report from the Under-Secretary, Public Works Department, was read.

After discussion it was resolved, on the motion of Mr. Guinness, That Mr. Jenkins' evidence be taken first, then any statement on behalf of the Public Works Department, and that then Messrs. Briscoe, MacNeil, and Co. be called upon to make their answers or reply.

Also resolved, That Messrs. Briscoe, MacNeil, and Co. be allowed to peruse and make a copy of the statement put in by the Under-Secretary, Public Works Department.

Resolved, on the motion of Mr. G. Hutchison, That copies of the Stores Supply and Delivery Contracts, 1895, be supplied to the members of the Committee.

The witnesses and counsel were then re-admitted, and the above resolutions communicated to them.

Mr. James Hendry Jenkins was sworn and made a statement, which was taken down by the reporter.

Previous to making his statement Mr. Jenkins asked that counsel might appear on his behalf.

The Committee agreed that if at any part of his statement he would prefer an adjournment to procure counsel this would be agreed to.

After the members had examined the witness, and Mr. Skerrett was cross-examining, Mr. Jenkins asked to be allowed to obtain counsel.

The witnesses and counsel again withdrew, and after discussion it was *Resolved*, That Mr. Jenkins be allowed to employ counsel, and that the inquiry be adjourned till to-morrow.

After this had been communicated to those in attendance, the Committee adjourned till to-morrow at 11 o'clock a.m.

WEDNESDAY, 21ST AUGUST, 1895.

Present: Mr. Guinness (Chairman), Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Dr. Newman, Mr. Tanner.

In the absence of Mr. Saunders, Mr. Guinness was, on the motion of Mr. Montgomery, voted to the chair.

Minutes of the previous meeting read and confirmed.

The following attended the Committee: Messrs. Reid, Blow, Skerrett, Gellatly, Bruce, MacNeil, Jenkins, and Mr. A. Stuart-Menteath (as counsel for Mr. Jenkins), and Mr. C. Bridson (of Messrs. Briscoe, MacNeil, and Co.).

Some discussion took place as to whether Mr. Skerrett should continue his cross-examination of Mr. Jenkins or if Mr. Menteath should commence *de novo*.

The witnesses retired.

Mr. Hutchison moved, That Mr. Menteath be now allowed to examine Mr. Jenkins.

Mr. Guinness moved by way of amendment, That the examination of Mr. Jenkins be continued at the point where the proceedings left off yesterday.

Upon the amendment being put, a division was called for, and the names were taken down as follow:—

Ayes, 2: Mr. Guinness, Mr. McGowan.

Noes, 5: Mr. Hutchison, Mr. Lang, Mr. Mackenzie, Mr. Montgomery, Mr. Tanner.

Amendment lost.

Mr. Hutchison's motion was then put, and it passed in the affirmative.

The witnesses were then readmitted, and Mr. Jenkins, after being reminded by the Chairman that he was still on his oath taken yesterday, made a statement, which was taken down by the reporter.

Mr. Jenkins continued until 12.50 p.m., when the Committee adjourned until to-morrow at 10.30 a.m.

THURSDAY, 22ND AUGUST, 1895.

Present: Mr. Guinness (Chairman), Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Dr. Newman, Mr. Tanner.

In the absence of Mr. Saunders, on the motion of Mr. T. Mackenzie, Mr. Guinness was voted to the chair.

The following were present: Messrs. Reid, Blow, Skerrett, MacNeil, Gellatly, Bridson, Menteach, and Jenkins.

Mr. Skerrett asked that the following witnesses be summoned to attend: Thomas Brown, Brown, Ewen, and Co., Dunedin; Richard Hudson, Hudson and Co., Dunedin; Thomas Barmby, Ferguson and Co., Dunedin; J. W. Milne, manager, Phoenix Company, Dunedin; Augustus Castendyk, Castendyk and Focke, Wellington.

Mr. Skerrett undertaking that Messrs. Briscoe, MacNeil, and Co. would pay the expenses.

Resolved, on the motion of Mr. T. Mackenzie, that the gentlemen named be summoned to attend.

Mr. Menteach asked to have the following summoned: D. McFarlane, care of J. Duthie and Co.; Mr. Moncrieff, care of E. W. Mills and Co.; R. Wallace, care of Stewart and Co.

Resolved, on the motion of Mr. T. Mackenzie, That summonses be issued for the attendance of the above-named gentlemen.

Mr. Jenkins continued his statement, which was taken down by the reporter.

At 12.45 o'clock, p.m., the Committee adjourned till to-morrow at 10.30 o'clock, a.m.

FRIDAY, 23RD AUGUST, 1895.

Present: Mr. Guinness (Chairman), Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Dr. Newman, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner.

On the motion of Mr. McGowan, in the absence of Mr. Saunders, Mr. Guinness was voted to the chair.

Minutes of the previous meeting read and confirmed.

The following attended: Messrs. MacNeil, Gellatly, Skerrett, Bridson, Blow, Reid, Menteach, Jenkins, and J. A. Wilson, Resident Engineer, Public Works Department, Wellington.

Mr. Jenkins concluded his statement, which was taken down by the reporter.

Mr. Menteach asked that the books of Messrs. Briscoe, MacNeil, and Co. be retained by the Committee.

Some discussion ensued.

Witnesses withdrew.

Mr. Montgomery proposed, That the books be not retained except the yard-book.

Dr. Newman proposed by way of amendment, That all the books be retained.

Upon the amendment being put, a division was called for, and the names were taken down as follow:—

Ayes, 4: Mr. Lang, Mr. Mackenzie, Dr. Newman, Mr. Tanner.

Noes, 4: Mr. Guinness, Mr. McGowan, Mr. Montgomery, Hon. Mr. Seddon.

The votes being equal, the Chairman gave his casting-vote with the "Noes."

Amendment lost.

The original motion was then put, and it passed in the affirmative.

The witnesses were readmitted, and the decision communicated to them.

Mr. Menteach asked to call Mr. Jenkins, of Messrs. Hayes and Co., Wellington. Agreed to.

The Committee then adjourned until Tuesday next at 10.30 a.m.

TUESDAY, 27TH AUGUST, 1895.

Present: Mr. Guinness (Chairman), Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Mr. Saunders, Mr. Tanner.

In the absence of Mr. Saunders, Mr. Guinness was, on the motion of Mr. McGowan, voted to the chair.

The following attended the Committee: Messrs. Blow, Reid, Wilson, Menteach, J. H. Jenkins, Skerrett, Gellatly, MacNeil, Bridson; and Messrs. David McFarlane, ironmonger, care of J. Duthie and Co.; William Moncrieff, ironmonger, care of E. W. Mills and Co.; Thomas Barmby, commercial traveller, Dunedin; Thomas Clarke Jenkins, care of Hayes and Co., Wellington.

Mr. Saunders attended the meeting at this stage of the proceedings, and Mr. T. Mackenzie suggested that, as Mr. Guinness had presided during the whole of the inquiry in Mr. Saunders' unavoidable absence, he continue to preside during the inquiry. Mr. Saunders agreed, and Mr. Guinness retained the chair.

David McFarlane sworn, and made a statement, which was taken down by the reporter.

William Moncrieff sworn, and made a statement, which was taken down by the reporter.

At this stage of the proceedings Mr. Skerrett stated that, with the permission of the Committee and Mr. Menteach, he would like to call one of his witnesses, so as not to detain him in Wellington.

Permission being granted,

Thomas Barmby was sworn, and made a statement, which was taken down by the reporter.

Thomas Clarke Jenkins (called by Mr. Menteath) was sworn, and made a statement, which was taken down by the reporter.

Mr. Menteath stated he had another witness to call, but he was not present to-day.

Resolved, That the witness might attend to-morrow and give evidence, and that Mr. Reid proceed with any evidence he may wish to offer.

Mr. Reid called,

Horatio John Hooper Blow who was sworn, and made a statement, which was taken down by the reporter.

After the witnesses withdrew, *Resolved*, on the motion of Mr. G. Hutchison, That the Clerk apply to Messrs. E. W. Mills and Co. for any invoices of goods supplied to Messrs. Briscoe, MacNeil, and Co. as under (since January, 1895): Asbestos tape; shackles (with weights).

The Committee then adjourned until to-morrow at 10.30 o'clock a.m.

WEDNESDAY, 28TH AUGUST, 1895.

Present: Mr. Guinness (Chairman), Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Mr. Saunders, Mr. Tanner.

Mr. Guinness again took the chair.

Minutes of the previous meeting read and confirmed.

The Clerk mentioned that Messrs. E. W. Mills and Co. wrote forwarding particulars of shackles supplied by them to Messrs. Briscoe, MacNeil, and Co., but they stated that they had not supplied any asbestos tape.

Resolved, That the Clerk apply to the United Asbestos Company for the particulars as to the tape.

Messrs. Blow, Reid, Wilson, Skerrett, MacNeil, Gellatly, Bridson, Menteath, Jenkins, and Robert Wallace (ironmonger, care of Stewart and Co.) attended the Committee.

Mr. Robert Wallace, called by Mr. Menteath and sworn, made a statement, which was taken down by the reporter.

Mr. Menteath announced that this would close his case.

Mr. L. Reid then called Mr. Blow, who continued his statement.

Mr. Skerrett asked that he be allowed to postpone any cross-examination until he had an opportunity of examining the vouchers put in by Mr. Blow. Agreed to.

Mr. Reid then called John Alexander Wilson, Resident Engineer for the Wellington District, who was sworn and made a statement, which was taken down by the reporter.

Mr. Reid asked that Mr. R. G. Knight, sailmaker, be summoned to attend. On the motion of Mr. McGowan, *Resolved*, That a summons be issued to Mr. Knight.

The Committee then adjourned until to-morrow at 10.30 a.m.

FRIDAY, 30TH AUGUST, 1895.

Present: Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Mr. Saunders (Chairman), Hon. Sir R. Stout.

The minutes of the previous meeting read and confirmed.

The following attended: Messrs Blow, Reid, Skerrett, MacNeil, Bridson, Gellatly, Menteath, Richard Hudson (of Richard Hudson and Co., Dunedin), and Thomas Brown (of Brown, Ewing, and Co., Dunedin).

Mr. Hudson was sworn, and made a statement, which was taken down by the reporter.

Mr. Thomas Brown was sworn, and made a statement, which was taken down by the reporter.

The Committee then adjourned until Tuesday next at 10.30 o'clock a.m.

THURSDAY, 5TH SEPTEMBER, 1895.

Present: Mr. Guinness, Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Mr. Saunders (Chairman), Hon. Sir R. Stout, Mr. Tanner.

Minutes of the previous meeting read and confirmed.

A letter from Mr. Skerrett, asking, if possible, if the Committee would sit more continuously.

After discussion, *Resolved*, That the Chairman move for leave to sit during the afternoon.

The following were present: Messrs. Blow, Reid, Wilson, Menteath, Skerrett, MacNeil, Gellatly, Bridson, R. G. Knight (sailmaker), Captain A. C. Turner (road surveyor, Wellington Provincial District), and Mr. G. R. H. Ibbetson (draughtsman, Survey Department).

Mr. Wilson concluded his statement, which was taken down by the reporter.

Captain Turner was sworn, and made a statement, which was taken down by the reporter.

Mr. Ibbetson was sworn, and made a statement, which was taken down by the reporter.

During Mr. Wilson's examination Mr. Menteath desired to cross-examine Mr. Wilson on items not included in Messrs. Briscoe, MacNeil, and Co.'s contract.

After discussion, *Resolved*, That for the present Mr. Menteath must confine his examination to the items included in the contract.

Mr. G. Hutchison gave notice to move at the next meeting, That the inquiry into the performance by Messrs. Briscoe, MacNeil, and Co. of their contract with the Government be not restricted to exclude evidence as to the supply of cement by Messrs. Briscoe, MacNeil, and Co., though not in their contract, but suggested by Mr. Menteath as ordered and paid for at a price in excess of the schedule rate by the contractor for cement.

The Committee then adjourned until to-morrow at 11 o'clock a.m.

FRIDAY, 6TH SEPTEMBER, 1895.

Present: Mr. G. Hutchison, Mr. Lang, Mr. T. Mackenzie, Mr. Montgomery, Mr. Saunders (Chairman), and Mr. Tanner.

Minutes of the previous meeting read and confirmed.

Mr. Hutchison moved the motion of which he had given notice yesterday, and upon the question being put, it passed in the affirmative.

The following attended the Committee: Messrs. Blow, Reid, Wilson, Turner, Ibbetson Arthur Biddell (Clerk, District Engineer's Office), Menteach, Knight, Skerrett, MacNeil, Gellatly, and Bridson.

Mr. J. A. Wilson recalled, and made a further statement, which was taken down by the reporter.

Mr. Ibbetson recalled, and made a further statement, which was taken down by the reporter.

Mr. Richard Giles Knight sworn, and made a statement, which was taken down by the reporter.

Mr. Arthur Biddell, clerk, sworn, and made a statement, which was taken down by the reporter.

Mr. Skerrett asked for a summons to issue to Charles Cecil Russell, clerk, Wellington. Agreed to.

The Committee then adjourned until Tuesday next at 11 o'clock a.m.

TUESDAY, 10TH SEPTEMBER, 1895.

Present: Mr. Guinness (Chairman), Mr. Lang, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Hon. Sir R. Stout, Mr. Tanner.

Minutes of the previous meeting read and confirmed.

The following attended the Committee: Messrs. Menteach, Blow, Reid, Wilson, Biddell, Knight, Skerrett, Gellatly, MacNeil, Bridson, and George Allport (Marine Office), and Miss Gertrude Knight.

Mr. Arthur Biddell concluded his statement, which was taken down by the reporter.

Miss Gertrude Knight was sworn, and made a statement, which was taken down by the reporter.

Messrs. Menteach and Reid stated this would close the case as far as calling witnesses by them was concerned.

Mr. Skerrett stated that he would call evidence first, reserving his remarks to the Committee till after the evidence was closed. Agreed to.

Hugh MacNeil, the younger, was sworn, and made a statement, which was taken down by the reporter.

Mr. Menteach, at the close of Mr. MacNeil's evidence, stated that witnesses were present who would be called to give evidence.

The Chairman asked if he had any request to make, and Mr. Menteach asked that Mr. Bridson be not present.

The Committee being about to consider the request, when Mr. Skerrett said that all through the proceedings all the witnesses had been present, but if desired by Mr. Menteach he would consent to Mr. Bridson withdrawing.

Mr. Bridson then withdrew.

Alexander Wynd Gellatly was sworn, and made a statement, which was taken down by the reporter.

The Committee then adjourned until to-morrow at 10.30 o'clock.

WEDNESDAY, 11TH SEPTEMBER, 1895.

Present: Mr. Guinness (Chairman), Mr. Lang, Mr. T. Mackenzie, Mr. Montgomery, Mr. Saunders, Mr. Tanner.

As Mr. Saunders had to attend the Printing Committee Mr. Guinness took the chair.

Minutes of the previous meeting read and confirmed.

The following attended: Messrs Skerrett, MacNeil, Gellatly, Menteach, Jenkins, Blow, Reid.

Mr. MacNeil recalled, and made a further statement, which was taken down by the reporter.

Mr. Gellatly continued his statement, which was taken down by the reporter.

The Committee then adjourned till to-morrow at 10.30 o'clock.

FRIDAY, 13TH SEPTEMBER, 1895.

Present: Mr. Guinness (Chairman), Mr. McGowan, Mr. Montgomery, Mr. Saunders, Hon. Sir R. Stout, Mr. Tanner.

At the request of Mr. Saunders, who was unwell, Mr. Guinness took the chair.

The following attended: Messrs. Menteach, Jenkins, MacNeil, Blow, Reid, Bridson, and George Cecil Russell, of Wellington, clerk.

Mr. Corran Bridson was sworn, and made a statement, which was taken down by the reporter.

Mr. George Cecil Russell was sworn, and made a statement, which was taken down by the reporter.

Mr. A. Castendyk (called by Mr. Skerrett) did not appear. It was explained that Mr. Castendyk had been in attendance, but he was unable to wait. Mr. Skerrett asked for another summons for Tuesday next. Agreed to.

The Committee then adjourned until Tuesday next at 10.30 o'clock.

TUESDAY, 17TH SEPTEMBER, 1895.

Present: Mr. Guinness (Chairman), Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Mr. Tanner.

Mr. Guinness was, on the motion of Mr. Mackenzie, voted to the chair.

Minutes of the previous meeting read and confirmed.

The following attended: Messrs. Blow, Reid, Menteath, Skerrett, MacNeil, Bridson, and Augustus Castendyk, of Wellington, merchant.

Mr. Castendyk was sworn, and made a statement, which was taken down by the reporter.

Hugh MacNeil, the younger, recalled, and made a further statement, which was taken down by the reporter.

Mr. Skerrett announced that this would close his case.

The witnesses withdrew.

After discussion, *Resolved*, That Mr. Menteath should first address the Committee, that Mr. Read should follow, then Mr. Skerrett, and Mr. Menteath have the right to reply.

The witnesses having been readmitted, the above was communicated to them.

Mr. Menteath addressed the Committee, and his address was taken down by the reporter.

Mr. Reid addressed the Committee, and his address was taken down by the reporter.

The Committee then adjourned until Friday next at 10.30 o'clock a.m.

THURSDAY, 26TH SEPTEMBER, 1895.

Present: Mr. Guinness (Chairman), Hon. Mr. Larnach, Mr. McGowan, Hon. Mr. Seddon, Mr. T. Thompson.

Mr. Guinness was, on the motion of Mr. McGowan, voted to the chair.

Minutes of the previous meeting read and confirmed.

The two Orders of Reference of the 24th and 25th September read by the clerk.

The Clerk read a letter from Mr. A. Saunders resigning his position as Chairman and member of the Committee in consequence of illness.

Resolved, on the motion of the Hon. the Premier, That the Committee desire to place on record its appreciation of Mr. Saunders' services on the Committee, and its regret that the severity of his illness has necessitated his resignation.

Resolved, That the above resolution be reported to the House, and that a letter be sent to Mr. Saunders enclosing copy of same.

The Hon. the Premier gave notice that to-morrow he would move, That a Chairman be appointed in place of Mr. Saunders, resigned.

Mr. Guinness stated that Mr. MacNeil, who had been waiting some four or five weeks, had expressed a wish for the postponement of the inquiry, in order that he might return to Dunedin to attend to his English mail letters.

Resolved, on the motion of the Hon. the Premier, That the inquiry be adjourned until next Tuesday week at 10.30 a.m.

The Committee then adjourned until to-morrow at 11 o'clock a.m.

FRIDAY, 27TH SEPTEMBER, 1895.

Present: Mr. Button, Mr. Lang, Hon. Mr. Larnach (Chairman), Mr. T. Mackenzie, Mr. Montgomery, Hon. Mr. Seddon, Mr. Tanner, Mr. T. Thompson, Hon. Mr. Ward.

The Hon. Mr. Seddon moved that the Hon. Mr. Larnach be appointed Chairman of the Committee.

Minutes of the previous meeting read and confirmed.

Resolved, That the Committee resume the inquiry *re* Briscoe, MacNeil, and Co.'s contract on Friday next.

FRIDAY, 11TH OCTOBER, 1895.

Present: Mr. Button, Mr. Guinness, Mr. Lang, Hon. Mr. Larnach (Chairman), Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, Mr. T. Thompson, Hon. Mr. Ward.

Minutes of the previous meeting read and confirmed.

The following attended: Messrs. Blow, Reid, Menteath, Skerrett, and MacNeil.

Mr. Skerrett addressed the Committee, and his address was taken down by the reporter.

The Committee then adjourned until Tuesday next at 11 o'clock a.m.

TUESDAY, 15TH OCTOBER, 1895.

Present: Mr. Guinness, Mr. G. Hutchison, Hon. Mr. Larnach (Chairman), Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, Mr. T. Thompson, Hon. Mr. Ward.

The minutes of the previous meeting read and confirmed.

The following attended: Messrs. Menteath, Reid, MacNeil, and Skerrett.

Mr. Menteath addressed the Committee, and his address was taken down by the reporter.

After those in attendance withdrew some discussion took place as to drawing up the report.

Resolved, on the motion of the Hon. Sir R. Stout, That a sub-committee, consisting of Hon. Mr. Larnach, Mr. McGowan, Mr. Montgomery, Mr. T. Thompson, and Mr. T. Mackenzie, be appointed to consider the evidence, and draw up a draft report for consideration by the full Committee.

Resolved, on the motion of Mr. Tanner, That copies of the draft report be supplied to members of the Committee for consideration before the next meeting.

Mr. Guinness raised the question of the printing of the evidence.

Resolved, That the further consideration of the question of printing the evidence be adjourned. The Committee then adjourned *sine die*.

TUESDAY, 22ND OCTOBER, 1895.

Present: Mr. Button, Mr. Guinness, Hon. Mr. Larnach (Chairman), Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, Mr. T. Thompson. The minutes of the previous meeting were read and confirmed.

The sub-committee appointed at the last meeting submitted the following draft report:—

REPORT.

1. In the matter of the Government contract entered into by the Public Works Department with Messrs. Briscoe, MacNeil, and Co. for the supply of general ironmongery, iron and steel, ship-chandlery, cement and lime, drainpipes, and tents during the current year ending 31st December, 1895; and in the matter of certain irregularities and mistakes of weights and measures resulting in overcharges stated by one James Hendry Jenkins to have been wilfully made by the contractors from the time of entering upon their contract, and while carrying it on.

2. The Committee have to report that they have sat for twenty-two days hearing evidence, and have examined twenty witnesses for and against the accusations made.

3. From the evidence given by the said J. H. Jenkins, the accuser, and Messrs. Gellatly (manager) and Bridson (ironmonger) for the contractors, and Messrs. Blow, Wilson, Ibbetson, Turner, and Biddell, officers in the service of the Government, the Committee cannot come to any other conclusion than that there has been carelessness and looseness on the part of the contractors in connection with the delivery of goods under the said contract, and for which they consider the manager and ironmonger chiefly responsible, for having tolerated so many irregularities to have occurred in relation to goods supplied to the Government under the contract; but there is no evidence at any attempt by the contractors to defraud the Government.

4. The Committee find that there were a number of errors in the vouchers sent by the contractors to the Government. These errors consisted for the most part of errors in weight and price, or were owing to wrong or inferior goods being supplied. They were, however, in many instances satisfactorily explained; but, in connection with the supply of tents, an instance was brought before the Committee in which very inferior tents were supplied in lieu of tents according to sample ordered by the Government.

5. In respect to the officers in the service of the Government referred to herein, the Committee find that the Railway and Marine Departments maintain efficient checks upon goods received from contractors. The Public Works and Lands and Survey Departments each exercise a fair check on goods supplied to them where delivery is taken at Wellington, but for goods sent by contractors direct to works carried on for either of the latter departments outside of Wellington the Committee feel only that an efficient check under the present system can be exercised.

6. The Committee therefore believe that a better system of check could be established by the Government, whereby all goods purchased should be, in the first place, taken delivery of at central stores in the several chief cities, and afterwards distributed to the different works as required. While such a system might entail some extra expense in handling goods, yet the Committee consider a greater compensating benefit would accrue to the colony by the safer and more satisfactory management of such important and necessary annual business.

7. During the course of the investigation it came to the knowledge of the Committee that the managing partner at Wellington of Messrs. Briscoe, MacNeil, and Co. had been accepted by the Government as bondsman for the proper carrying-out of their contract. The Committee think that this is wrong, and that a bondsman should have no interest as a partner in any contract with the Government.

W. J. M. LARNACH,
Chairman.

October, 1895.

Clause 1.—Mr. Montgomery moved to insert, in lieu of clause 1, the following: "The Public Accounts Committee have made an exhaustive examination into the way in which the contract for Government stores for 1894-95 had been carried out by Messrs. Briscoe, MacNeil, and Co., the contractors, and find."

Upon the question being put that the words proposed to be inserted be so inserted, a division was called for, and the names were taken down as follow:—

Ayes, 3: Mr. Button, Mr. Guinness, Mr. Montgomery.

Noes, 6: Hon. Mr. Larnach, Mr. T. Mackenzie, Mr. McGowan, Hon. Mr. Seddon, Mr. Tanner, Mr. Thompson.

So it passed in the negative, words not inserted.

Resolved, on the motion of the Hon. Mr. Seddon, to strike out the words "In the matter of the Government contract entered into by the Public Works Department," with a view to inserting the words "The Committee find that on the 31st day of January, 1895, the Government, through the Public Works Department, entered into a contract."

Resolved, on the motion of Mr. Guinness, to strike out the words "and" before "steel," "and" before "lime," and for "during" insert the word "for."

Resolved, on the motion of the Hon. Mr. Seddon, to strike out all the words after "1895," and insert as a new clause, viz:—

2. That it had been alleged by one James Hendry Jenkins, a former employé of the contractors, that in carrying out the said contract they wilfully made certain overcharges and mistakes of weights and measures in respect of goods supplied.

Clause 1, as amended, agreed to.

Clause 2.—The Hon. Mr. Seddon moved to insert the following words in lieu of clause 2: "The Committee have made an exhaustive inquiry into the aforesaid allegations, and have sat for twenty-two days hearing evidence, and have examined twenty witnesses for and against the allegations made."

Upon the question being put, a division was called for, and the names were taken down as follow:—

Ayes, 4: Mr. Button, Mr. Guinness, Hon. Mr. Seddon, Mr. Tanner.

Noes, 6: Hon. Mr. Larnach, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Hon. Sir R. Stout, Mr. T. Thompson.

So it passed in the negative.

The clause as printed was amended by striking out "have to report that they," and inserting "allegations" in lieu of "accusations."

Clause as amended agreed to.

Clause 3.—Mr. Guinness moved to strike out the name "J. H. Jenkins."

Upon the question being put, a division was called for, and the names were taken down as follow:—

Ayes, 5: Mr. Button, Mr. Guinness, Mr. Montgomery, Hon. Sir R. Stout, Mr. Tanner.

Noes, 5: Hon. Mr. Larnach, Mr. T. Mackenzie, Mr. McGowan, Hon. Mr. Seddon, Mr. T. Thompson.

The votes being equal, the Chairman gave his casting-vote with the "Noes."

So it passed in the negative. Words retained.

The words "the accuser" struck out.

Resolved, on the motion of Hon. Sir R. Stout, to strike out the words "cannot come to any other conclusion than," and insert "find."

Mr. Guinness moved to insert "some" between "been" and "carelessness."

Upon the question being put, a division was called for, and the names were taken down as follow:—

Ayes, 3: Mr. Button, Mr. Guinness, Mr. Tanner.

Noes, 7: Hon. Mr. Larnach, Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. T. Thompson.

So it passed in the negative. Word not inserted.

Hon. Sir R. Stout moved to strike out all the words from "and for which" down to "contract" inclusive.

Upon the question being put, a division was called for, and the names were taken down as follow:—

Ayes, 6: Mr. Button, Mr. Guinness, Mr. McGowan, Mr. Montgomery, Hon. Mr. Seddon, Hon. Sir R. Stout.

Noes, 4: Hon. Mr. Larnach, Mr. T. Mackenzie, Mr. Tanner, Mr. T. Thompson.

So it passed in the affirmative. Words struck out.

Hon. Mr. Seddon moved to insert, in lieu of the words struck out, the words "and for these irregularities the Committee consider the manager and servants of the contractors responsible."

Upon the question being put, a division was called for, and the names were taken down as follow:—

Ayes, 6: Hon. Mr. Larnach, Mr. T. Mackenzie, Mr. McGowan, Hon. Mr. Seddon, Mr. Tanner, Mr. T. Thompson.

Noes, 4: Mr. Button, Mr. Guinness, Mr. Montgomery, Hon. Sir R. Stout.

So it passed in the affirmative. Words inserted.

Mr. Guinness moved to strike out "manager and."

Upon the question being put, it passed in the negative. Words retained.

Mr. T. Mackenzie moved to strike out all the words from "but there" down to "Government" inclusive.

Upon the question being put, a division was called for, and the names were taken down as follow:—

Ayes, 3: Hon. Mr. Larnach, Mr. T. Mackenzie, Mr. Tanner.

Noes, 7: Mr. Button, Mr. Guinness, Mr. McGowan, Mr. Montgomery, Mr. T. Thompson, Hon. Mr. Seddon, Hon. Sir R. Stout.

So it passed in the negative. Words retained.

Resolved, on the motion of Hon. Mr. Seddon, to strike out "at any attempt by," and insert "of fraud on the part of" in lieu thereof, and strike out at the end of the clause "to defraud the Government."

Clause as amended agreed to.

Clause 4.—Mr. Montgomery moved to insert "most" in place of "many," line 3.

Upon the question being put, a division was called for, and the names were taken down as follow:—

Ayes, 5: Mr. Button, Mr. Guinness, Mr. McGowan, Mr. Montgomery, Hon. Sir R. Stout.

Noes, 5: Mr. Larnach, Mr. T. Mackenzie, Hon. Mr. Seddon, Mr. Tanner, Mr. T. Thompson.

The votes being equal, the Chairman gave his casting-vote with the "Noes."

So it passed in the negative. Motion lost.

Mr. Montgomery moved to add at the end of the clause "but that the evidence does not prove that this was intended by the contractors, and it may have been done in error."

And the question being put, a division was called for, and the names were taken down as follow:—

Ayes, 5: Mr. Button, Mr. Guinness, Mr. McGowan, Mr. Montgomery, Hon. Sir R. Stout.

Noes, 5: Hon. Mr. Larnach, Mr. T. Mackenzie, Hon. Mr. Seddon, Mr. Tanner, Mr. T. Thompson.

The votes being equal, the Chairman gave his casting-vote with the "Noes."

So it passed in the negative. Words not added.

Clause as amended agreed to.

Clause 5.—*Resolved*, on the motion of the Hon. Mr. Seddon, to strike out clause 5, and insert the following in lieu thereof:—

The Committee also find that under the terms of the contract the several Government departments have the right to order and take separate delivery of goods. The Committee also find that the Railway and Marine Departments maintain efficient checks upon goods received from contractors. The Public Works and Lands and Survey Departments each exercise a fair check on goods supplied where delivery is taken at Wellington. When, however, goods are sent by the contractors to the order of the several departments outside of Wellington the Committee are of opinion that the present system of check is defective.

Clause 6.—*Resolved*, on the motion of Mr. Guinness, to strike out "believe," and insert "recommend"; also, to strike out "better," and insert "more efficient"; also, to strike out "could," and insert "should," in line 1; and in line 3 insert "departments for the" after "different."

Clause as amended agreed to.

Clause 7 agreed to, after striking out "wrong," and inserting "objectionable."

Resolved, That the report as amended be agreed to, and reported to the House; and that the Chairman move that the report, evidence, and minutes of proceedings be printed.

The Committee then adjourned till 10.30 to-morrow.

Minutes confirmed.

MINUTES OF EVIDENCE.

WEDNESDAY, 21ST AUGUST, 1895.—(MR. A. R. GUINNESS, Chairman.)

J. H. JENKINS sworn and examined.

Mr. Skerrett said it was understood yesterday [Yesterday's evidence was cancelled, as Mr. Menteach, solicitor for J. H. Jenkins, was not present, and inquiry commenced *de novo*] that he would be permitted to ask certain general questions upon the witness's statement of the previous day, which was regarded as a general outline of the facts. He might be allowed to ask these general questions at that stage of the proceedings, before commencing with the books.

The Chairman: I thought Mr. Skerrett had finished his cross-examination on the general statement made by the witness.

Mr. Menteach: The witness has not been examined in chief. I appear as his counsel, and I have no knowledge of what occurred yesterday.

The Chairman: The witness yesterday made simply a general statement of facts, upon which he was cross-examined by Mr. Skerrett and Mr. Reid; and questions were put to him by the members of the Committee.

Mr. Menteach: I must have the opportunity of examination-in-chief if I am to act as counsel for the witness. I know nothing whatever of what passed in Committee yesterday.

The Chairman: The shorthand-writer took notes of the evidence given, which can be produced.

Mr. Menteach: I think the witness would be placed at a serious disadvantage if the counsel who appears for him had no opportunity of examining-in-chief. I must ask the Committee to commence the proceedings to-day with the regular examination-in-chief.

After deliberation, it was resolved that the evidence should be taken *de novo*.

1. *Mr. Menteach* (to witness.) What is your name?—James Hendry Jenkins.

2. You were for some time employed by Messrs. Briscoe, MacNeil and Co., Wellington?—I was.

3. When did that employment commence?—About the end of February.

4. To what particular duties were you appointed?—As clerk of Government contracts, under Mr. Bridson.

5. What were your duties in that capacity?—I was to do what he directed me in entering orders from the order-book into the Government contracts journal, and, after calling back with Mr. Bridson, to render vouchers to the departments interested.

6. What were the books?—On receipt of the requisition which was passed to me I would enter it in the order-book; on the complete execution of the order I would transcribe it from the order-book to the Government contract journal, and after the (contract) entry was completed it was called back.

7. What was this system of "calling back"?—It is a system that all merchants have, so as to see that there has been no error.

8. That is, to check entry?—Yes.

9. How were the entries checked?—I usually had the contract journal while Mr. Bridson held the order-book, and I would enumerate each item.

10. Did you enumerate the items in full?—Yes; in full.
11. With the weights?—Yes; with the weights.
12. How were the particulars of the weights settled?—Sometimes there would be a blank left; but we procured the yard-book and saw that the weights were there. Mr. Bridson would furnish me with the weight to enter it in the contract journal under his direction.
13. What were the usual source from which the weights would be fixed?—That would depend on the class of goods.
14. According to the different classes of goods?—Yes; in different classes of goods, such as sash-cord, for instance, I would probably ask what was to be charged, and he would reply: "Charge as before."
15. How did you get the weight then?—I would take the weight of the previous entry.
16. But usually, you say, unless you were directed by Mr. Bridson, the weights were filled in from the yard-book?—Yes.
17. Any other book?—I believe this was the only source that the weights could be got from.
18. But sometimes the weights were not ascertained in the yard: how then?—In cases where we were dealing with goods supplied by another firm, on receipt of their invoice, I would place it before Mr. Bridson, and I was then furnished with the particular weight.
19. In the course of your employment, did you notice anything that called for comment on your part?—I did.
20. Who drew your attention to what you considered worthy of comment?—The first item I noticed, speaking from memory, was some sash-cord; I noticed that it was previously charged as 7½lb. per hank.
21. That was the first item that attracted your attention?—Yes.
22. Then, your attention was drawn to certain irregularities?—Yes.
23. What course did you take then?—I did as I was instructed, until I thought the matter was getting serious.
24. And then what course did you take?—I wrote to Mr. Gellatly. (See Appendix.)
25. In answer to that you received two letters: one, dismissing you from the employment of the firm, and the other acknowledging the receipt of your letter, and going on to say that he was aware your statement was without foundation, but he would inquire into the matter (See Appendix)?—The document is mutilated; there is a word left out. The word "however" is the word left out.
26. *The Chairman.*] Which of these letters did you receive first?—That was the one discharging me from the employment; the other I received in the middle of the following week.
27. With your discharge you received a week's salary?—Yes.
28. The date of your letter was the 10th May?—Yes.
29. Your employment terminated, and you were dismissed the following day?—Yes.
30. What was your salary for the performance of those duties you have mentioned?—Thirty-five shillings a week.
31. You reported these irregularities to the Public Works Department?—Yes.
32. Will you look at this statement, and say whether substantially it is something like the charges you made to the Public Works Department?—This refers to most of the items; I cannot say which is exactly accurate. [This was a copy of the items put in by Mr. Hutchison.]
33. At any rate you made certain allegations to the Public Works Department as to the incorrectness of the weights?—That is so.
- Mr. Reid:* I think he wrote first to the department; if so, we ought to have the writing produced.
35. *Mr. Menteath.*] First of all you had an interview?—Yes, with Mr. McArthur.
36. In Mr. Blow's absence?—Yes.
37. Were you asked to do anything further?—I was asked to leave a specimen paper for verification.
38. Did you comply with that request?—I did.
39. Are these the specimen papers you left?—These are. [Put in.]
40. These are simply notes taken by you of the various entries?—Yes.
41. How were these dealt with by Mr. McArthur?—He returned them to me.
42. Did you put in any written statement; did you address any letter to the department?—I wrote some weeks after asking for information.
- Mr. Reid:* Before making any statement you ought to produce the letter.
- Mr. G. Hutchison:* The Public Works Department would have the letter.
43. *Mr. Menteath.*] There is a copy of the letter already in. You wrote to Mr. McArthur asking him to do something?—I addressed a letter to him asking him to advise me confidentially whether my statement had been verified or otherwise, and I got no reply.
44. *Mr. Hutchison.*] Does the department produce the letter.
- Mr. Reid:* Yes, that is the letter.
45. *Mr. Menteath.*] Is that the letter?—That is the letter referred to. [Letter dated 1st July, 1895.]
46. Did you hear from the department in reply to that letter?—I had no reply to that.
47. Did you have any other letter?—I had one from Mr. Blow. [Letter produced and put in, dated 9th July, 1895.]
48. Did you call, as requested by that letter?—I did.
49. Was any request made to you by Mr. Blow?—He asked me if I would become a witness.
50. In what proceedings?—In case the Crown thought it worth while to take proceedings in one of the Courts.

51. What reply did you make to that?—I asked him for forty-eight hours to think over it.

52. You subsequently sent Mr. Blow a letter, of which this is a copy?—Yes. [Letter produced and put in (press copy dated 13th July, 1895).]

53. That was after taking time for deliberation?—Quite so.

Mr. Menteath : Before going into the details of the charges, I would ask that the books which were specially used in making these entries be produced, and that the witness should be allowed to refer to them. I think we have established a *prima facie* case, that there had been a falsification of the books. It is only a rebutting case that Messrs. Briscoe and MacNeil can bring, that they were not fraudulently responsible, although a fraud had been committed.

The Chairman : I understood that Mr. Skerrett wanted to ask certain questions of the witness on his general statement, so as to test his credibility.

Mr. Menteath : The credibility cannot be disputed, for you have the evidence before you.

Mr. G. Hutchison : I asked the witness a question, without going into the books, what his recollection was.

54. *Mr. Tanner*.] Would the Committee allow me to ask one question, to which I would call the witness's careful attention. It is this : Is it not often the case that, when an entire system of books are kept in an establishment partly by one person and partly by others, that one party only can speak positively with regard to the books with which he is personally acquainted ; as, by negligence or laxity on the part of others, he may be mistaken in describing the entire system, which, without his knowledge, may not be carried out in its entirety?—The bookkeeper and head clerk would be responsible for the whole of the books under his charge ; the under clerk would be only responsible for the book in his charge.

55. Would it be possible for an under clerk to make a statement from the books of the firm?—The under clerk would be foolish to speak of the firm's books, when he had charge of one particular book or those of a particular class.

56. *Mr. Skerrett*.] You told me you left the weights in the public-works journal until you called it over with Mr. Bridson?—That is so.

57. The weights were entered in the public-works journal?—That is so.

58. When you and he compared the order-book with the public-works journal he gave you the weights to enter?—That is so.

59. Then, Mr. Bridson would misread it to you?—He did not read to me ; I read to him.

60. In comparing the public-works journal with the order-book?—Yes.

61. Then he told you the weights verbally?—In all cases verbally, as far as I recollect.

62. You would not have the order-book in your possession at the time you made the entry of the weight?—No.

63. You would not make any entry of weight in the order-book?—That would depend on whether I saw the weight vacant in the order-book. If I saw it lying about then I asked for the weight.

64. You might make an entry of weights in the order-book, but only after you made entry in the public-works journal?—Not necessarily. The yard-book was also to be marked off. In marking off, if I was close up to date, then I would submit the weight to Mr. Bridson, and be furnished with the weight by him, which would in all probability be in my writing in the order-book.

65. The weight would be correct which Mr. Bridson furnished you with to enter in the journal?—Yes.

66. So that the cases in which entry would be made in your writing in the yard-book or in the order-book these are correct weights given by you to Mr. Bridson to be entered in the journal?—Occasionally—

67. Answer my question : Was that the general practice?—The general practice : Yes ; that is, the weight in the order-book might be set down at 507 ; in calling back my instructions would be verbally " 607," although in my handwriting transcribed from the yard-book it would be 507.

68. How comes that?—Ask your clients—

69. How did you get that?—From the yard-book.

70. In all cases in which your handwriting is in the order-book we should find it in the yard-book ; would that be the correct weight given to you by Mr. Bridson to be transcribed into the journal? Did you ever make any alterations of the weights in the order-book?—Speaking from memory I cannot say.

71. Can you understand, after your own explanation of the course of practice [Memo. : This explanation was given in the cancelled evidence the previous day], how the entries in the order-book would be altered by you?—If altered by me, it was done under direction.

72. Please be careful of your answer. You must regard this as a serious matter. You have told us that if we found the weight in the order-book it would be in the yard-book ; or that the weight would be given to you to be transcribed into the journal ; then I suppose there are alterations by you in the order-book. How do you account for it?—It would be done under direction.

73. That does not account for it.—Certainly it does.

74. How?—I was a servant under his control, and if he told me to put down 115lb. I would put it down.

75. You told us that when comparing the order-book—?—I do not know what you want me to answer.

76. You have told us the practice, that, when comparing the order-book with the journal, Mr. Bridson would give you the weights and you would enter them ; that some time after, when you found the order-book with a blank, you would enter from the yard-book the true weight. Can you find the alterations in your own handwriting, and, if so, explain it?—I can only explain that it was done under direction.

77. Is that your only explanation?—That is my explanation.

78. Can you explain to me how you find the alterations of weight in your handwriting in the journal after the correct weight had been entered?—These were isolated cases where probably the weights had been entered—that is the *bona fide* correct weights; on a calling back I was directed to alter these weights.

79. In those instances of alteration in the journal, in whose handwriting would the weights appear in the order-book?—I could not tell you.

80. Would it be in your handwriting?—Probably mine; probably Coleman's, probably Bridson's.

81. If in your handwriting, where would you get them?—In the yard-book.

82. Or from Mr. Bridson?—Repeat your question.

83. You say you entered the weights first; you say they might be in your handwriting in the order-book: Where would you get the information from to enter them in the order-book?—From the yard-book.

84. You spoke of those "isolated cases"?—I was speaking from memory.

85. How many of these charges that you have brought would be of that kind?—I cannot say from memory.

86. Did you keep a note all this time of the irregularities?—I took notes.

87. Each time?—Not each time.

88. But you took notes of the irregularities?—Yes, at the time.

89. Retaining the note very carefully?—Yes.

90. How were you able to tell the discrepancies when they were only dictated to you for entry in the public-works journal; how were you able to tell that there were discrepancies, for the purpose of keeping your notes?—By watching things.

91. You did not see them weighed?—No, I did not see them weighed.

The Chairman: I think, Mr. Skerrett, you are now going somewhat further than was intended you should go in this direction.

Mr. Skerrett: Very well, Sir, I shall conclude.

The Chairman: You can now proceed, Mr. Menteath, with the details. You had better take them in the order of date.

Mr. Menteath: On the 15th of February, voucher 8, 8th March.

94. *Mr. Hutchison*.] Was that the order for the sash-cord?—Yes.

95. Had you not better get at the initiation of this business, at the beginning, so as to trace the whole thing from the commencement?

Witness: A number of the requisitions are not here. The 8th of March is the date when it was supplied. It was supplied to the Mount View Asylum.

97. *Mr. Menteath*.] The voucher would be in the Treasury Department, would it not?—Yes, if paid.

Mr. Hutchison: We should have all the vouchers here——

Mr. Blow: This was a contract of £6,000 a year.

Mr. Hutchison: That does not matter; this is a public inquiry, and our business is to inquire into everything connected with the manner in which this contract has been carried out. We cannot do that without having all the evidence it is possible to obtain before us.

Mr. Reid: The Government is prepared to produce everything the Committee wants.

Mr. Blow: For the Wellington contracts for supplies the vouchers can be easily obtained; but some of them are in Napier, or Wanganui, or other places, so that it would take some time to produce them. Every voucher will be produced that the Committee requires.

98. *Mr. Hutchison* (to witness).] What book is that you have in your hand?—The Government contract journal.

99. And this particular voucher, is it for supplies to the Mount View Asylum?—Yes.

The Chairman: We will have to see that Mr. Blow produces whatever documents are required.

100. *Mr. Hutchison*.] When the voucher is passed by the certifying officer is it detached from the other paper?—I cannot say precisely.

101. *Mr. Menteath*.] Referring to this item of the sash-cord, do you trace that in the order-book?—Yes; folio 42 in the Government contract journal, there are two hanks mentioned of No. 8 Silverlake sash-cord, charged at 7½lb. per hank.

102. *Mr. Hutchison*.] Can you say what is the order?—Yes; two hanks of No. 8, and two hanks of No. 10.

103. Can we find from that what the price was?—Yes; it is entered as item 757 and 758.

104. What is the price?—7 to 12, in Wellington, 1s. 6d.; 10 to 12, 1s. 7d. per pound.

105. These are standard weights?—Yes; they are standard weights.

106. What do you find in the first book?—7½lb. per hank for No. 8, 9½lb. for No. 10.

107. What is meant by "standard weight" in respect of this class of goods?—Expert evidence would have to be called to prove that these hanks did not exceed a certain weight.

108. *Mr. Menteath*.] Do you know this from practice or experience?—My practice in this matter does not go so far as to make me certain.

109. What might be the weight?—About 3lb. for the hank from 8 to 12, and from 3½lb. to 4lb. for No. 10. The 7½ for No. 8, and 9½ for No. 10, both are charged at 1s. 6d. per pound; they are both marked of "B" quality, the "A" quality should be charged at 1s. 7d.

110. What is it in the order-book?—Two hanks of No. 8, and two hanks of No. 10.

111. "B" quality is supplied?—Yes.

112. Assuming that these are of the average weight, what do you prove from these entries?—The first line is charged about 4lb. too much, the second about 5½lb. too much.

Mr. Hutchison: There is a difference of about 6lb. a hank in these——

Mr. Blow : I can get the vouchers for this easily.

Mr. Menteath : Then, the total overcharge would be for 22lb., at 1s. 6d. per pound.

113. We come next to "lead piping," date 15th February, voucher No. 8?—That was procured from Burt and Co.

114. An invoice would be sent with it?—Yes.

Mr. Hutchison : Can that be produced?

Mr. Skerrett : We will produce it to-morrow.

Mr. Menteath : We propose to adduce expert evidence to prove, in the case of the sash-cord, that these hanks are nearly all made of a certain weight, so that any discrepancy would be very slight.

116. What is the next?—Thirty-six squares of glass (voucher No. 21 in Government contracts journal), I find there are 380ft. of glass here; the order was for four squares, 49½in. by 10½in.; 28oz. glass: the total would be 180ft. In item 64, "Paints and Colours," 9d. is charged, and 9d. was the contract price: that was procured from Messrs. Tingey.

117. *Mr. Tanner*.] What are the dimensions given?—380ft.

118. What is the invoice?—Thirty-six squares of glass 60in. by 12in.; roughly, 180ft.

119. *Mr. Hutchison*.] How is that entered?—380ft.; not in my handwriting.

120. Whose handwriting is it?—I am not certain.

Mr. Reid : I will be able to show that that item was corrected.

Mr. Blow : The officers of the department have checked everything except this £4. So far as the Public Works Department is concerned, we do not conceive that we are investigating a fraud. We do not know anything of a fraud. We have received and detected incorrect documents which were sent to the department.

121. *Mr. Menteath*.] What would the difference of price be?—£7 10. I see 9d. is the scheduled price.

122. *The Chairman*.] Have you anything more to say on that item?—No; not on that item.

123. The weights were not put in by you?—Not by me.

124. What correction is that?—It was altered from 280 to 380. It is not in my handwriting. From what I remember of Mr. Bridson's handwriting I think it is his.

125. How was it charged?—It was charged in voucher 21, in connection with the Mount View Asylum.

126. The amount charged was?—I can tell from this book that the voucher has been sent in. The voucher was for 380ft.; the charge was £14 5s. in excess; £7 10s. was the contract price.

THURSDAY, 22ND AUGUST, 1895.—(Mr. A. R. GUINNESS, Chairman.)

J. H. JENKINS further examined.

1. *Mr. Menteath*.] You see there an alteration from 7lb.; what is that alteration?—That is an alteration to 7½lb. and to 19lb.

2. Are these alterations in your handwriting?—They are not; they are to "7½" for the first two hanks; the second alteration is from "12" to "19."

3. *Mr. Reid*.] Say what the alteration was from?—From "5."

4. *Mr. Montgomery*.] What is the item?—Silverlake sash-cord.

5. *Mr. Menteath*.] Look at the journal, and say if you see there an entry for lead piping in February: "Voucher No. 4, supplied to the Mount View Asylum"?—Yes; "one piece of lead piping, 1½in., equals 20lb."

6. You will produce Burt's invoice, Mr. Skerrett?—Yes. [Produced.]

7. To witness.] What is the price?—20s. the hundredweight.

8. *Mr. Blow*.] Charged to whom?—Charged to the department.

9. *Mr. Menteath*.] What would the weight of that piece be?—16lb.

10. Was that before or after you took over the books?—It was before I took over the books.

11. That entry was not made by you?—No; it was not made by me.

12. What was the extended price?—3s. 7d.

The Chairman : It would shorten the proceedings if it were admitted that what was charged in this Government book was the same amount that was in the Government voucher rendered.

Mr. Skerrett : I admit that, reserving to myself liberty to show that the proper reductions were subsequently made.

14. *Mr. Menteath*.] Look to April 17th. There is an item there for Silver Lake sash-cord?—Yes; page 105 of the contract journal.

15. *Mr. Tanner*.] What is the number of the voucher?—Voucher 83: 10 hanks of Silverlake cord, "B" quality, 75lb.

16. What is the price of that—1s. 6d. per pound?—Yes.

17. And what is the extension?—£5 12s. 6d. That was for the Stock Inspector's house at Woodville.

18. Do you say that item is incorrect?—It is incorrect, because No. 7 does not weigh more than 3½lb. per hank.

19. Do you produce any invoice in support of that?—No; but I have specimen-papers.

20. Is that a question for expert evidence?—Yes.

21. Then, instead of 7½lb., the weight per hank would be about 3½lb.?—About.

22. Referring again to the Silverlake sash-cord; how was it that you filled in the weight?—The general direction for the Silverlake sash-cord was to fill in from the weight "as before."

23. What was that?—That was 7½lb. the hank.

24. How did you get the item you refer to?—The entries that were in Book 4.
25. Can you point that out?—At folio 9; four hanks supplied to the workshops.
26. When was that?—In February; it is on page 9 of the journal, totalling 30lb.
27. At what price?—1s. 7d. per pound.
28. Were these the same description of cord?—Yes; I believe so.
29. What was the original voucher?—21.
30. *Mr. Skerrett.*] What is the quality stated?—No number and no quality is stated.
31. *Mr. Tanner.*] Is there any sash-cord made of that weight?—I shall adduce expert evidence to tell you that; No. 10 is the weight.
32. *Mr. Menteath.*] How do you get that number?—That is a copy, I take it, of the requisition entry in the order; it is not in my handwriting.
33. What is the page in the order-book?—Page 88.
34. Neither the entry in the order-book nor in the journal are in your handwriting?—These were prior to my employment.
35. Is that all you have to say about that entry?—That is all.
36. Refer to the journal again for April, "A piece of lead"?—Yes; a piece of 5lb. lead, 1cwt. 2qr. 14lb. Look in the order-book.
37. *Mr. Reid.*] What page in the order-book?—Page 42.
- 37A. *Mr. Menteath.*] How does the entry appear in the order-book?—1cwt. and 14lb., in my handwriting.
38. *Mr. T. Mackenzie.*] They charge?—1 cwt. 2qr. 14lb.
39. *Mr. Menteath.*] What is the correct weight?—1cwt. and 14lb.
40. Does it appear in the yard-book as 1cwt. and 14lb?—Yes.
41. In an entry in your handwriting?—1cwt. and 14lb.
42. In the Government contract?—It is 1cwt. 2qr. 14lb.
43. What is the extended value?—£1 4s. 5d.
44. What is the cost value, according to the journal?—14s. 6d.
45. Extended?—£1 3s. 7d.
46. *Mr. T. Mackenzie.*] What do you mean by the "cost value"?—The cost value is shown here in parallel columns; their total profit would be 10d.
47. *Mr. Menteath.*] That is, by allowing the 2qr. additional?—That is also extended in the cost price; it should be 7s. 6d. less.
48. Is that all you wish to remark on that?—Yes.
49. Do you see there an item on the same date for zinc?—That is page 106, and the stock-keeper's voucher 83:12 sheets of No. 11 zinc.
50. The weight?—2cwt. 1qr. 21lb.
51. Have you traced that entry in the order-book?—That is 1cwt. 3qr. 0lb.
52. Whose handwriting is that in?—In my handwriting.
53. What does it appear in the yard-book?—2cwt. 1qr. 21lb. It is in the yard-book and order-book. It is 1cwt. 3qr. 0lb.
54. *Mr. Skerrett.*] Give us the page.—Page 42.
55. What is the price extended?—24s. per hundredweight.
56. What is the total price extended?—£2 18s. 6d.
57. Have you made any estimate of what the price ought to be?—There are 2qr. 21lb.
58. In excess?—In excess.
- The Chairman:* What are these papers to which you are referring?
- Mr. Menteath:* They are memoranda kept by the witness.
59. *Mr. Montgomery.*] There are pencil-marks there: were they made at the same time?—They are in my handwriting.
60. *Mr. Menteath.*] Turn to March 21st, voucher 70, page 61 of the contract journal. What is the item, "20 holding-down bolts, 9in. by $\frac{1}{2}$ in."?
61. *Mr. Blow.*] For what work were they?—For Porirua Asylum. The weight given in the Government contract journal is 1qr. 14lb.; that is not in my handwriting.
62. *Mr. Menteath.*] Do you see the same entry in the order-book?—In the order-book, at page 22, there also appears an item, "20 holding-down bolts, 9in. by $\frac{1}{2}$ in."
63. Is the weight given?—42lb.; not in my handwriting.
64. What should the weight be?—The weight should be 20lb.
65. *Mr. Skerrett.*] Mr. Duthie's invoice will be put in?—There are twenty bolts at 3d.
66. *Mr. Reid.*] What is the date?—22nd March.
67. *Mr. T. Mackenzie.*] In whose handwriting is the entry in the contract journal?—Part of it is in mine.
68. *Mr. Menteath.*] Who else?—The body of the entry is in my handwriting; the figures for the weight are, I believe, Mr. Bridson's.
69. Is that all you have to say about that entry?—That is all.
70. You have not given us the extended value of that last item—the holding-down bolts?—5s. 7d.
71. What is the difference made by the increase of weight?—22lb. at 15s. per cwt.—it would be a little over $1\frac{1}{2}$ d. per pound weight.
72. Do you see an item there for sash and cord about the same date; voucher 17?—That, I think, was dealt with yesterday. [Voucher put in.]
73. Do you see an item for the District Land Survey Service, "jumpers and cleaners"?—That is also in April, voucher 41.
74. *An Hon. Member.*] What page is that in the journal?—Page 87 of the contract journal.
75. *Mr. Menteath.*] Finish the entry as it stands in the contract journal?—In the contract

journal it is set down as 3cwt. and 16lb.; that is, totalling the jumpers of three sizes and eight cleaners.

76. How does it appear in the order-book?—It appears as 352lb.; not in my handwriting.

77. What would that be?—3cwt. and 16lb.; it is not in my handwriting.

78. What should it be?—According to Robertson's invoice it would be 252lb. [Robertson's invoice put in.]

79. *Mr. Reid.*] The date of that is the 30th of March?—Otherwise 2cwt. 1qr.

80. Instead?—3cwt. and 16lb.

81. Do you recognise the handwriting in the order-book?—I believe the handwriting to be Mr. Bridson's.

82. That is the handwriting filling in the weights?—Yes.

83. And the other is yours?—In the contract and sales journal the figures are mine.

84. What is the page?—Page 31 for the District Survey Department, Danevirke.

85. What is the price?—At 4d. per pound.

86. Then the overcharge would be the difference at 4d. per pound?—Yes.

87. Do you see an item in April: voucher 34, for sheet-lead; at what page of the contract journal is that?—Page 108. There appears there the following: "One piece of 5lb. sheet-lead weighing 7cwt. 8lb.

88. In whose handwriting?—In my handwriting.

89. *Mr. Blow.*] What work is that for?—It is on the requisition 326; in the workshops I take it to be; at 15s. the hundredweight it would come to £5 6s. 1d.

90. How does it appear in the order-book?—6cwt. 2qr. 8lb.

91. Whose handwriting is that?—That is in my handwriting.

92. How does it appear in the yard-book?—6cwt. 2qr. 8lb., page 466 in the yard-book.

93. *Mr. T. Mackenzie.*] In whose handwriting?—I believe that to be Hilton's handwriting.

94. *Mr. Menteath.*] What is the difference of price?—There is an overcharge of 7s. 6d. on that item.

95. Now we come to voucher 27?—That is my writing in the contract journal; it is Hilton's writing in the yard-book: one bar of round steel; it is page 98 in the journal; one bar $\frac{3}{4}$ in. round, milled steel, weight as in the journal, 27lb.

96. What was the price charged to the Government?—At 10s. 6d. per cwt. it would be 2s. 6d.

97. What is the weight in the order-book?—The weight in the order-book is blank.

98. What is the page in the order-book?—Page 46, the weight is blank; the weight in the yard-book (447) is 17lb., but I do not recognise the handwriting.

99. *Mr. Montgomery.*] Is the price extended when you make the entry, or later?—Later.

100. Have you any explanation how the figures came to be altered?—It has been altered on page 98 of the journal from 17 to 27.

101. *Mr. Tanner.*] Do you remember the altering of that?—I have a recollection of altering it; it was altered during the calling back.

102. *Mr. Skerrett.*] The calling back with the order-book?—Yes.

103. *Mr. Menteath.*] Who was it you called back with?—With Mr. Bridson.

104. How did the alteration come to be made?—By direction of Mr. Bridson.

105. How did the correct figures come to be written in there?—They were taken direct from the yard-book.

106. Was that a usual practice to take weights from the yard-book?—It was not so frequent as taking them from the order-book. If a blank was left in the order-book the general course was for Mr. Bridson to send me to ascertain the weight in the yard-book.

107. Was the yard-book always kept in the yard?—It was sometimes brought to Bridson's desk. It was sometimes brought into the shop—the office is upstairs.

108. Do you see an item there for a bar of cast-steel?—In the same page (98) one bar cast-steel, $\frac{1}{2}$ in., charged as 17lb., 37s. 6d. per hundredweight., in my handwriting charged as 17lb.; in the order-book (page 46) that is blank.

109. In the yard-book?—7lb., page 447.

110. And the difference?—10lb., at 37s. 6d. per hundredweight.

111. Anything further to say about that item?—No.

112. The next item is as to the Silver sash line?—One hank, No. 7: 7 $\frac{1}{2}$ lb., at 1s. 6d.

113. *Mr. Blow.*] The date?—About April the 10th.

114. To whom supplied?—To the Garrison Artillery. Page 97, contract journal: it is charged as 7 $\frac{1}{2}$ lb.

115. *The Chairman.*] In whose handwriting?—In my handwriting: the weight on page 45 in the order-book is blank: the charge 7 $\frac{1}{2}$ lb. should be about 3 $\frac{1}{2}$ lb.

116. Then, there are the engineer's bolts; what page?—That was also supplied to the Garrison Artillery; page 98 of the contract journal; the weight given is 7lb., in Mr. Bridson's handwriting.

117. In the order-book?—In the contract journal.

118. The weight given is 7lb., and the size?— $\frac{5}{16}$ ths by 1 $\frac{1}{2}$ in.

119. What should be the weight?—I say the weight should be not exceeding 2lb.: about that I will produce expert evidence.

120. *Mr. Tanner.*] How many engineers' bolts?—One dozen.

121. *The Chairman.*] You had a note of this?—I had a note.

122. What became of it?—I could not tell you.

123. *Mr. Menteath.*] Now we come to 20th April, for the State farm at Levin?—On page 115 of the contract journal appears an item, 32 sheets of Pyramid galvanized corrugated-iron, 8ft long by 26 gauge, weighing, in the journal, 5cwt. 2qrs. 7lb., at 17s. a hundredweight.

124. The extended price?—£4 14s. 7d. : the weight is blank, page 58 of the order-book ; in the yard-book it appears as 4cwt. 2qrs. 7lb., not in my handwriting.
125. *The Chairman.*] The page?—482 in the yard-book and 58 in the order-book.
126. The weight in the yard-book is 4cwt. 2qr. 7lb., and in the journal?—5cwt. 2qr. 7lb.
127. *Mr. Menteath.*] The difference in price?—1cwt. 17lb. ; the writing in the journal is mine.
128. There is no alteration?—No alteration.
129. Any other item?—On the same page there are 32 sheets 9ft. iron, also for the State Farm, 26ft. gauge, weighing 6cwt. and 3lb. according to the journal, in my handwriting ; the weight in the order-book is blank.
130. What is the weight in the yard-book?—5cwt. and 3lb.
131. Then, the price in the journal was collected on the larger weight?—Yes, at 18s. the hundredweight ; in the same entry there are 20 sheets of 7ft. iron—the handwriting in the journal is mine—weighing 3cwt. and 21lb. ; the weight in the order-book is blank.
132. In the yard-book, what is it?—2cwt. and 21lb.
133. The price calculated in the journal is an extended price?—The price is calculated on the larger weight.
134. Any other item?—There is a 4in. jaw-tail vyce (page 115 in the journal) ; the weight given is 2qr. and 24lb., that is in my handwriting ; the weight in the order-book is blank ; the weight in the yard-book is 1qr. 24lb. ; the difference is 1qr. ; it is not my handwriting.
135. The price is extended in the journal?—At 35s. the hundredweight ; it is calculated on the larger weight.
136. What is the next item?—On page 29 of the contract journal.
137. Give us the date?—About the end of February : requisition 1st of March (144) ; there were two lengths of composition pipes, 20ft. $\frac{3}{4}$ in., 30ft. $\frac{1}{4}$ in. ; the total weight, given in my handwriting, is 1qr. and 9lb. ; the weight in the order-book is blank. I say that the weight of that should be 19lb. (page 3). I believe it was purchased from Hayes and Co. or from A. and T. Burt ; I do not know which. I believe that was the weight charged by them to Briscoe, MacNeil, and Co.
138. The true weight, you say, is 19lb., and the weight charged for was?—1qr. 37lb.
139. *Mr. Reid.*] Who was supplied with that?—The Workshops—requisition 144.
140. Do the purchases from other firms appear in the yard-book?—If they were heavy goods : that is, goods usually kept in the yard.
141. *Mr. Menteath.*] Would small articles go into the store and not be entered in the yard?—As to how they conducted their sales I could not speak about ; I have a general idea as to what would be kept in the yard, and what would go into the store.
142. But certain weights would be taken into the yard-book?—Yes.
143. And certain others from the invoices?—Yes.
144. And others from the order-book direct?—Yes.
145. *Mr. Tanner.*] Is it possible that goods would be sent away straight, and never be entered in the yard-book?—They could give more information on that than I can ; with the conduct of sales I had nothing to do.
146. *Mr. Menteath.*] In getting the weight for the contract journal you would be referred some times to the invoices?—Yes, if the goods were procured from other people.
147. And now, coming again to the State farm?—On page 37 of the contract journal an entry appears of forty sheets Pyramid galvanised corrugated-iron, 6ft. long and 26ft. gauge ; the weight is in my handwriting, 3cwt. 3qr. 14lb. ; the weight in the order-book was originally 3cwt. and 14lb. ; that was afterwards altered in my handwriting to 3cwt. 3qr. 14lb.
148. Three quarters were inserted there?—Yes, “3qr.” were inserted. I cannot find it in the order-book.
- “1/3/95” is the date given here. I will ask the Chairman to allow this entry to stand over, so that we may proceed with the others.
149. On the 27th February, 1895, there is an entry?—Page 26, of the Government contracts journal, there are twenty-six sheets of galvanised corrugated iron, 8ft., by 26 gauge. The weight given in the contract journal is 4cwt. 1qr. 26lb., at 17s. 6d. per hundredweight. That is in my handwriting.
150. The price?—At 17s. 6d., amounts to £3 18s. 5d.
151. Now, in the order-book?—Twenty-six sheets of the same class ; 3cwt. 2qr. 26lb., in my handwriting. On page 259 of the yard-book there are twenty-six sheets G and C iron, 3cwt. 2qr. 26lb., not in my handwriting. The difference is three-quarters of a hundredweight at 17s. 6d. That is a difference of 13s. 7d.
152. The next?—The Courthouse at Featherston (page 25 of the contract journal) : milled lead, 12ft. by 4ft. 6in.
153. The weight?—The weight in the journal, in my handwriting, is 3cwt. 3qr.
154. *Mr. Blow.*] What is the date?—About the 26th February. On page 104 in the order-book the weight given is 3cwt. 3qr. 11lb. The item is altered in Mr. Gellatly's figures from a less to a greater weight. I should say that I only believe these to be Mr. Gellatly's figures.
155. What were the figures originally, before the alteration?—3cwt., I think, in Coleman's figures. This was altered by Mr. Gellatly, I believe, to 3cwt. 3qr. 11lb. The entry in the yard-book is 3cwt. (page 249).
156. No quarters?—No quarters.
157. Extended?—3cwt. 3qr. at 15s. per hundredweight.
158. *Mr. Montgomery.*] Extended in the journal?—Yes, extended in the journal.
159. *Mr. Menteath.*] We next come to the Ministerial residences?—On page 24, about the end of February, there appears in the contract journal an entry for one dozen of Nixey's blacklead.
160. Is the weight given?—Yes, in my handwriting ; it is 2lb. at $\frac{1}{2}$ d. the pound ; the weight

in the order-book is blank (page 105). I say that the weight of that should be about 12oz.—on this I propose to call expert evidence.

161. What is the price?—1s. 3d. per lb.

162. What is the next?—Page 21 of the contract journal there appears 20ft. of solid drawn sanitary pipe, 2in., and 90ft., 1½in. The weight of the two combined is given, in my handwriting, 2cwt. 3qr. 18lb.; the entry in the order-book is “20ft. of solid drawn lead pipe”; that was altered by direction to “sanitary pipe.” The price for “lead pipe” is lower than that for sanitary pipe; that is charged at 28s. per hundredweight. There is no weight given in the order-book (page 97). I contend that the weight should be 2cwt. 1qr. 17lb. Upon that I propose to call expert evidence.

163. *Mr. Skerrett.*] What is the overcharge?—57lb.

164. *Mr. Menteath.*] What is the price in the journal?—28s. per hundredweight.

165. Any other item?—Page 22 in the contract journal—

166. *Mr. Blow.*] The work and the date?—About the latter end of February. For Mount Cook store: one coil of ¾-in. flax rope, the weight in the journal, in my handwriting, 291b., 42s. per hundredweight. The weight in the order-book (page 102) is blank.

167. What should the weight be?—19lb. The weight there was altered by direction.

168. *Mr. Blow.*] It was evidently entered at 19lb?—It was afterwards altered to 291b. in my handwriting.

169. *Mr. Skerrett.*] When was it made?—When we were calling back; that is the most likely time it would be made.

170. *Mr. Menteath.*] You say the weight should be 19lb.?—Yes, 19lb. I presume the weight was furnished to me from the yard-book. I made the entry 19lb., that was altered to 291b.

FRIDAY, 23RD AUGUST, 1895.—(MR. A. R. GUINNESS, Chairman.)

Examination of J. H. JENKINS continued.

1. *Mr. Menteath.*] As to that item in March?

Mr. Tanner: Is this one of the items that were deferred from yesterday?

Mr. Menteath: No, this is a new item, “sanitary piping.”

2. *Mr. Menteath.*] In page 49 in the Government contract journal there appears 30ft. of sanitary piping, 2½in., weighing 1cwt. 2qr. 22lb., and charged at 24s. the hundredweight?—That is in my handwriting.

3. The extended price being?—£2 0s. 9d.

4. *Mr. Blow.*] What for?—Requisition, March; Workshops. The entry in the order-book, page 14, is 30ft. drawn lead pipe, 2½in.; weight, 1cwt. 2qr. 22lb., altered from 1cwt. 0qr. 22lb. in my handwriting. In the same entry, or rather on the same page, on the 13th March (49) in the contract journal, is 35ft. sanitary pipe, 1½in., weighing 1cwt. 1qr., at 24s., in my handwriting. In page 14 of the order-book is 35ft., altered from 30ft., not in my handwriting, 1½in. drawn lead pipe, altered from 0cwt. 3qr. 1lb. to 1cwt. 1qr. 0lb., in my handwriting. Item 544, in the schedule of prices: it states that lead pipe of all sizes is 22s. the hundredweight; sanitary pipe is charged as a non-contract line, at 24s. I propose to tender expert evidence that this is ordinary lead pipe.

5. Then, in that instance, you say that both weight and price were overcharged?—Quite so.

The invoice from Hayes and Co. for those two items supplied as per contract journal (March 13) should be produced.

Mr. Skerrett: I cannot produce it, for I have not got it. I will be able to show that I cannot find it. I should say my learned friend can get it from Hayes and Co.

Mr. Menteath: The alterations appear in pencil on the invoice, that is the reason I so specially wish that it should be put in.

Mr. Skerrett: I have had no notice to produce it.

6. *Mr. Menteath* (to witness).] Is your recollection clear as to this invoice of Hayes and Co.?—No clearer than that I took the note at the time the goods were purchased from Hayes and Co. At page 57 of the Government contract journal.

7. *Mr. Blow.*] The date?—March 20th. There appears an entry for 2 ingots of block tin. Evidently the entry stood at 40lb. block tin, in my handwriting, at 70s. per hundredweight; the alteration made is from 40lb. to 43lb. This alteration, from what I recollect of it, is in Bridson's handwriting. In the order-book, at page 17, the original marked off is 40lb. of block tin. The entry in yard-book, page 346, is altered from 40lb. to 43lb.; two ingots block tin. This, I believe, is in Mr. Hilton's handwriting.

8. *Mr. Skerrett.*] The overcharge you suggest there is 3lb.?—I do not suggest an overcharge; I believe that that is not an overcharge. I believe that is a *bonâ fide* charge. I mention it because I took a note of it.

9. *The Chairman.*] You are writing something; what is it that you are doing?—I am taking a note of the items mentioned yesterday, which were referred to before in the letter put in. Next, at page 52, in the Government contract journal—

10. *Mr. Montgomery.*] What is the date?—March 16 (about). There appears an entry, twenty sheets of No. 10 zinc for the Workshops (requisition, I think, 199), showing 2cwt. 3qr. 20lb., at 24s. per hundredweight. The entry in the order-book, page 14, is twenty sheets No. 10 zinc, in my handwriting, no weight stated. In the yard-book, page 325, the entry is, in my handwriting, “To Departmental Buildings, 10 sheets of No. 10;” weight, in Mr. Hilton's writing, is “8 sheets, 1cwt. 0qr. 8lb.” and “12 sheets—1cwt. 2qr. 12lb.”

11. *Mr. Menteath.*] What is the total?—2cwt. 2qr. 20lb.; the difference being 1qr.

12. And that is charged at a raised price?—That is charged at a raised price.

13. *Mr. Skerrett.*] What is the price charged?—24s.; that is the schedule rate.

14. *Mr. Menteath.*] Next?—In the contract journal, page 52, there is an entry: 20 sheets of plain galvanised iron, 26 gauge. The weight shown, in my handwriting, is 2cwt. 3qr. 7lb. In the order-book, on page 4, appears an entry, “20 sheets galvanised iron” 26 gauge, without weight shown. In the yard-book, page 325, is 20 sheets of plain galvanised iron, sizes 72 by 136, 26 gauge. Weights shown, in Hilton’s handwriting, are: for 11 sheets, of 1cwt. 1 qr. 18lb., and 9 sheets, of 1cwt. 0qr. 17lb—totalling 2cwt. 2qr. 7lb, the difference being 1qr., at 32s.

15. Are these all the specific instances of overcharge on which you propose to offer evidence?—Yes, these are all.

16. Did you write up this contract journal?—The contract journal embodies pretty well all the entries that took place between the Public Works Department and Briscoe, MacNeil, and Co.

17. Under this contract?—Yes.

18. Can you say that, with the exception of the overcharge that you have pointed out, all the other entries are correct?—I could not say that.

19. Why is it that you limited yourself to the entries you have now given?—At times I had no inclination to take a note or make a copy. I had no time at other times. I took what I thought was sufficient to show that such things were happening.

Cross-examined by Mr. SKERRETT.

20. *Mr. Skerrett.*] The period during which you took these notes extended from February until your dismissal in May?—About that time.

21. Your notes commenced with the second day you were there?—No.

22. When did they commence from?—After I had been in their employment for some time.

23. The first note of an inaccuracy occurs on the second day you were there; look at page 21 of the journal; how do you account for that—that is so, is it not? Is not the alteration made there the subject of one of your notes?—That was altered by specific instruction.

24. I ask you how you came to make it on the second day?—For the same reason that I have a note of inaccuracies prior to my employment with them.

25. When did you make that note?—I made no record of the date when I made it?

26. About the date?—That I cannot say.

27. Can you not give me a reason how you came to make the note?—I could not; speaking from memory.

28. If you did not commence making these notes for some time afterwards, how is it that we find them here—22, 24, and 25?—I suppose it was reasonable for me to go back from May.

29. Do you remember the first note you made?—I cannot say.

30. Will you tell me the first that you made?—I cannot.

31. And how you made the note?—I made it on paper in the ordinary way. If you make your questions a little more explicit—

32. I might then reach your intelligence?—Yes, quite so.

33. Can you give any information as to how you came to make this first note?—I cannot.

34. Why did you make it?—For the simple reason, that, in case of any action for conspiracy for fraud, I was afraid of being made a party to it.

35. Then it was for your protection, therefore, that you made and kept these notes?—It was for my protection that I kept these notes.

36. When a false entry was made did you not take a note of it?—Do you mean immediately?

37. Yes?—Not immediately.

38. How long afterwards?—Whenever I had an opportunity.

39. Shortly after?—Probably it might be the day after.

40. Then, was it after you made the entry that you made the note?—Yes.

41. I suppose you were careful about taking the note?—I was.

42. There were not many items escaped you?—Not many.

43. I asked you whether there were any?—I cannot remember.

44. You cannot remember any item?—Quite so.

45. Did you differentiate between the different false entries?—I hardly follow your questions.

46. Did you purposely take a note of some false entries and leave others unnoted?—“Purposely,” No.

47. But, so far as you are aware, you took a note of all discrepancies?—As far as I am aware.

48. You cannot recollect having omitted anything?—I cannot recollect any.

49. But if you were saving yourself from a possible action for conspiracy you would be very careful in making these notes?—I cannot follow what you are driving at.

50. I do not want you to follow what I am driving at. Was not the object of taking these notes in respect of a possible action for conspiracy? and, if so, would you not be careful in making a note of everything that came under your observation?—I had not the time; I was under Mr. Bridson’s inspection. It stands to reason, therefore, that I could not make a note of everything. I cannot remember any specific instances in which I did not make a note.

51. Your notes are very minute, are they not: they refer to such sums as 6d., 9d., 1s. 10d., 2s. 3d.?—I did not extend any case.

52. But you took a note of small matters?—Yes.

53. And of those where you had a suspicion of discrepancy or inaccuracy?—Yes.

54. You were careful to make no mistake?—Yes.

55. In other cases, where you had no reason to suspect discrepancy, did you take a note?—I know of no such instances.

56. But you took a note of those ingots?—Because in the order-book it was 40lb., and it was marked off 40lb., no alteration being made; it is not extended there.

57. You were careful to note that?—Quite so.

58. During the time these alterations were going on did you speak to Mr. Bridson about them?—I have no recollection.
59. During the time you were making these notes did you speak to him about them?—I have no recollection.
60. You have no recollection of any conversation with Mr. Bridson in respect to these alterations?—No.
61. Have you any recollection of a conversation or remarks addressed by Mr. Bridson to you?—I have not.
62. None at all?—Except in a general way to “doctor” the weights.
63. Tell us what took place?—Do you want specific dates?
64. I want you to tell us about these conversations in a general way, giving you directions?—When the sash-cord was mentioned, Bridson informed me to charge as before. I referred to the previous charge, and found that it was at 7½lb. to the hank. I found out, subsequently, that it did not weigh that.
65. How long subsequently?—That I cannot say.
66. What did you do?—I made the entry as directed.
58. Was that the only conversation with Bridson about that?—I do not speak about that definitely.
68. You say you never addressed to Bridson, nor Bridson to you, any conversation on the subject of these false weights?—What I say is this: I did not approach Bridson on that day, or at any particular dates, or on various dates; he gave me instructions what to do—that these weights were to be altered.
69. How?—By altering, say, the 5cwt. to 6wct.
70. When he was calling over the order-book, he gave you the weight, which did not agree with the order-book?—At times.
71. At other times what happened?—My instructions were to submit to him the weight, which I very often did, then I would be furnished with a weight.
72. Did you have any conversation about that discrepancy; did you say what is the meaning of that?—No; I did not. Mr. Bridson was not a man you could approach.
73. Then you had no conversation whatever with him about it?—Not that I recollect.
74. Then, what do you mean by saying that you got instructions to “doctor” the weights: they were “doctored,” you say?—That is sufficiently clear.
75. Did you never ask Bridson his reason for increasing the weight?—I have no recollection.
76. Nor had any talk with him on the subject of alterations in the weight?—I have no recollection; I take it that you are referring to my asking him why this should be.
77. I am not referring to that?—Will you repeat your question.
- 77a. Did you ever have any talk with him on the subject of the alterations?—I have no recollection.
78. Except in the way you describe how these alterations were made, did you have any conversation about them?—I have no recollection.
79. Or with any other person in the store?—I have no recollection.
80. Then this little secret was lodged in your own breast?—It was, so far as I know.
81. You have told us in your examination in chief that there were no irregularities, or over-charge, or fraudulent charge of any kind in dealing with the Railway Workshops?—Not that I am aware of.
82. Prudent man; you are not aware. You saw Mr. Gellatly?—I saw him daily.
83. You had some conversation with him about the vouchers returned from the Railway Workshops?—Not that I recollect, in connection with vouchers.
84. I asked you first, whether you knew of any irregularities? when you went on to another subject. I again ask you whether you had any conversations with Mr. Gellatly about these returned vouchers?—I had no conversation with him about returned vouchers or receipts; when they were first returned I asked him how I should deal with them; he said, “If they have returned them, we had better charge them over again;” that was the substance of the conversation.
85. Did you do any thing upon that?—I did not; I saw Mr. Dawes.
86. Now, it is plain there was no irregularity in regard to the railway supplies?—Not so far as I know.
87. You could not charge them over again without a fresh delivery under the system; then Mr. Gellatly must have been talking nonsense?—I do not know.
88. You would never surely, on your oath, venture, on strength of that entry, to swear that Mr. Gellatly was aware of it; or, on the strength of the entry in his writing. Do you swear that, on the strength of that entry in his handwriting, as you say, he was aware of all this going on?—These were not the only reasons; my other reasons were, that these things were put before Mr. Gellatly once a week, and it might be even more frequently. Mr. Gellatly went over them in the same way that he went over the ordinary day-books.
89. Any other reason?—Another reason was that he, being an ironmonger and an expert, must undoubtedly have detected these alterations, and he would therefore inquire into the reason of them.
90. Is that the whole of your reasons?—No, I have a further reason.
- 90A. I shall give you rope enough: Give it to us?—Another reason is that, in page 21, where the lead-pipe was altered to “sanitary pipe,” that was done by Mr. Gellatly’s instructions. As all these things were before him, with the other books, he was bound to know of these alterations, for he went through these books with more particularity than others.
91. Then, there are no others which your conscience or your invention can suggest?—I do not know what you mean by my “invention”?

92. But you have no other reasons?—No, I have no other reasons.
- 92A. You say you were making notes for the protection of yourself?—Yes.
93. Did you ever enter into this subject with Mr. Gellatly?—I did, by writing.
94. Did you ever verbally mention the subject to him?—Not that I am aware of.
95. Did you ever mention the subject of the overcharges to Mr. Gellatly?—I have no recollection.
96. Do you not think, looking at the importance you attached to the subject, you would remember it? Answer “Yes” or “No.”—I cannot say.
97. You said that Mr. Bridson was a difficult man to get on with?—That is so.
98. You did not get on well together?—No.
99. You did not work together harmoniously?—No.
100. Did you complain to Mr. Gellatly once?—I did.
101. When was that?—About six weeks after I was with them.
102. Did you not ask him whether you were under Mr. Bridson’s control, or under whose control you were?—I did not ask that; I asked whether I was under Mr. Newbold’s control.
103. This was in connection with the complaint against Bridson?—Of his treatment of me.
104. Did not Mr. Gellatly say that if you did not like to take orders from Bridson you could leave, or language to that effect?—I believe he did.
105. Why did you not then complain of this fraudulent system which Bridson was carrying on?—I could not say.
106. You had the opportunity, particularly on this occasion.—Not necessarily.
107. Can you give me a reason why you should not have mentioned it, as you were taking notes to protect yourself—I mean, why you should not have mentioned it to Mr. Gellatly?—I can give you no reason.
108. This letter you wrote on the 10th May. What time in the day was it written?—I could not tell you.
109. Cannot you tell the time that you wrote so important a communication as this is?—No.
110. Can you remember what day of the week it was?—Yes.
111. It was Friday, was it not?—I was discharged on the following day, and that was Saturday; it must therefore have been Friday.
112. Did you then on the Friday before writing this letter obtain an advance of your salary?—I did.
113. Did Bridson tell you that your services were dispensed with?—No.
114. Did you know that he knew it?—I did not know.
115. Why did you on the Friday ask for this advance of salary?—I wished for it privately.
116. Then, was it after obtaining that payment in advance that you sent in this precious communication?—I will not swear it.
117. Will you swear that it was not?—I will not swear either way.
118. Did you come for the balance of your salary on the Saturday?—No.
119. Why not?—There was only a balance of 5s. left.
120. Then why did you not go for it?—I adduce no reason.
121. You were not surprised that you got that letter?—No.
122. Why not?—I was told of it.
123. When and by whom?—I decline to say.
124. You were an honest man, and you were afraid your reputation would be tarnished?—Yes, quite so.
125. Have you ever made cross entries in books before?—I decline to state.
- 125A. Have you ever while you were in the employment of Brown and Ewen made false entries to cover embezzlement?—It was no embezzlement.
126. Then, you made them in their books to cover deficiency or deficiencies?—I decline to state.
127. Before you were employed by Briscoe, MacNeil, and Co., where were you employed?—Do you mean immediately before?
128. You had not done any work for some weeks, I believe?—I had not done any work for some months.
129. By whom were you employed after you went to Briscoe, MacNeil, and Co.?
130. By whom then?—By Wilkins and Field.
131. Then by whom?—J. Duthie and Co.
132. Then by whom?—Castendyk and Fooke.
133. They are wine-merchants, I believe?—Yes.
134. How long were you employed by them?—From January, 1893, to 1894.
135. Were you dismissed by them for dishonesty?—I must ask the Chairman’s ruling whether I am bound to answer that question.
- The Chairman:* He is entitled to decline to answer.
136. *Mr. Skerrett.*] But I am entitled to put the question; I will put it to the witness again; Were you not dismissed by them for dishonesty?—I decline to answer.
137. Is it because it would criminate you?
- Mr. Menteach.*] He is not bound to answer that question.
- Mr. Skerrett:* I submit that, in an examination to test his credibility, he should answer the question.
- The Chairman:* If he declines for the reason that he might criminate himself in some way, he would be entitled not to answer; but, at the same time, the fact of his declining to answer would be a fact for the Committee to consider.

138. *Mr. Skerrett.*] Then, before you were dismissed by Castendyk, I believe, they had found out that you had received two sums of £20 from a client of theirs?—I decline to say.
139. By whom were you employed before Castendyk?—By the Phoenix Company (Limited).
140. Were you dismissed from that employment?—I decline to say.
141. Were you not dismissed by them for dishonesty?—I decline to say.
142. Before the Phoenix Company?—By Wilkie and Co.
143. Were you not dismissed from that employment for misappropriating money belonging to the firm?—I was not.
144. Mr. Barmby was your immediate superior there?—That is so.
145. Why were you dismissed from Wilkie and Co's?—I left their employment.
146. If Mr. Barmby says you were dismissed for dishonesty, is that untrue?—It is untrue.
147. Were there deficiencies?—Not that I am aware of.
148. By whom before Wilkie and Co.?—By Hudson and Co.
149. Were you dismissed from their employment?—I believe I was.
150. For what?—For no specific reason.
151. Did you not confess to Mr. Milne, the manager for Hudson and Co., that you had been guilty of embezzlement?—I decline to say.
152. Did you not ask Mr. Milne to give you a fresh trial?—That I decline to say.
153. Was it not found, after a fresh trial, that you continued the same practices?—I decline to say.
154. Why were you dismissed from Hudson and Co.'s employment?—For a reason they knew best.
155. But were you dismissed?—Yes.
156. You were in the employment of Price and Co., of Invercargill; they were drapers; that was after you went to Brown, Ewing, and Co.?—Yes.
157. Now, is it not the fact that you embezzled the moneys of Brown, Ewing, and Co.?—I decline to state.
158. You adhere to your statement, that you kept these notes for the purpose of protecting yourself against any possible charge of conspiracy?—Quite so.
159. Have you the letter you received from Mr. Gellatly, of the 11th May?—[Letter produced and put in.]
160. What did you do after that?—I did not do anything for three weeks.
161. Did you inform any one, during the time you were in the employment of Briscoe and MacNeil, that you would take very good care to make it worth their while to keep you on permanently at a good screw?—That is a supposititious conversation.
162. There is no "supposititious" about it?—I have no recollection.
163. Do you not recollect saying that you would make it worth their while to keep you on permanently?—I have no recollection of making such a statement.
164. You would not make such a statement?—I have no recollection of it.
165. Did you not inform some one that you did not think they would dismiss you, after that letter?—I have no recollection.
166. With the exception of six items, all those fraudulent entries were made by you?—That is so; I think so.
167. One of them consists of an entry made before you came into their service?—Quite so.
168. Apart from the inference to be drawn from the six items which have been entered in some other person's handwriting, have you anything but your own word, to show that these fraudulent entries were made by Bridson's direction?—Nothing but my word.
169. Then, I understand you to admit, that unless weight has to be given to the inference drawn from these six items, you admit there is only your word to inculcate Mr. Bridson in these charges?—That is so.
170. Can you give me no reason why you did not mention the matter to Mr. Gellatly or some one else in the employment?—I can give you no reason.
171. After three weeks, that you were out of employment, what did you do?—I applied to John Duthie and Co.
172. But you lay by for three weeks?—I was out of employment.
- 172A. After that three weeks you began to use your material; what did you do with it; who did you tell about it?—The Hon. John Rigg.
173. He is a friend of yours?—Yes.
174. I am glad to hear it; and then you went to Mr. Seddon?—Mr. Rigg went to Mr. Seddon.
175. After that whom did you see?—I decline to state.
176. Did you see this list [list put in by Mr. Hutchison]?—I could not see it.
177. Do you mean to say you do not know in whose handwriting it is?—I decline to state.
178. You do not know who it was wrote it?—I believe it was Mr. G. Hutchison who prepared the list. I do not really know who wrote it; I do not know the handwriting; I never had any communication in that writing.
179. Although your original intention was in making these notes to protect yourself, after you find your letter of the 10th May miscarries, you begin to make complaints to different persons of these overcharges?—I stated that.
180. Before you made complaints to the Public Works Department?—Yes, that is so.
181. I understand you to say that your system of calling over the entries was, for Bridson to hand you the book while he read over?—I read over.
182. He compared them with the order-book and gave you the weights to enter?—Where the weights were not already stated; or if I had not procured the weights from the yard.
183. Was it your business to procure the weights from the yard?—It was my business to do what he asked me to do, I believe.

184. Was it your practice to procure them from the yard?—Sometimes I did it; sometimes the salesman did it.

185. Say what the practice was: would once a week be the practice?—Yes.

186. Was the yard-book read over with the journal?—Yes, it was.

187. Usually or unusually?—My experience was, that when Mr. Gellatly complained that the yard-book wanted marking off, it was sent to him. During the last portion of the time that I was there, Bridson sent it more regularly.

188. What was the object of that: to see that there were no omissions in the journal of items entered in the yard-book?—That is so.

189. Will you turn up that entry relating to glass, page 96; can you tell me when you made the entry of that discrepancy?—I cannot tell you.

190. Did you note the discrepancy at the time you made it?—Naturally, or I would not have made it.

191. Did you note it when you made entry of the weight in the journal?—I did not enter the weight in the journal.

192. When was it you first saw this weight?—I believe I noticed it first when the invoice came in from Tingey's.

193. When did you enter it in the cost-column of the journal?—It is not in my handwriting there.

194. In whose writing, then?—I believe it is in Mr. Bridson's.

195. You did not call Bridson's attention to it?—No.

196. Nor Mr. Gellatly's?—No.

197. Turn up the item on page 87: you notice the discrepancy there. When the invoice came in did you call anybody's attention to it?—I did not.

198. (Jumpers and cleaners.) Why did you not call anybody's attention to it?—I did not that I am aware of. What is your idea of calling attention: it was deliberately stated by the person who put it down, and he was my superior.

199. You never spoke to Mr. Gellatly about it?—Not that I am aware of.

200. But you took a note of it?—I took a note of it.

201. With regard to the sash-cord, I understood you to say that you had instructions to fill in the weight as charged previously?—That is so.

202. You think you did so?—That is so.

203. You had no hesitation in charging the Public Works Department, and you made the entry on the basis of the previous charge?—Yes, generally.

204. You had no conversation about the weight of these hanks; you simply filled in the weight according to previous practice; or you think so?—I followed the previous practice.

205. You are not an ironmonger?—No.

206. Do you know if they are sold in the trade at per pound, or per hank?—I could not say.

207. Will you look to page 106 (House lead)?—That is entered correctly in Hilton's handwriting in the yard-book as sheet lead, and charged at 1cwt. 2qr. 14lb.

208. Then, you say it is entered in the other book, page 427; it is entered again?—Yes; at 1cwt. and 3qr.

209. It is carried into the ledger by you as a fresh weight?—Yes.

210. That is a typical case, is it?—Yes; that is a typical case.

211. It was your duty to copy the correct weights?—It was my duty to put in the weight.

212. If you wanted fraudulently to increase the weight all you had to do was to transcribe the weight from the yard-book into the journal at a higher rate?—Or that any person would have to do.

213. Do you recollect a conversation between Bridson and you about a piece of scrim; he reproved you for sending a piece of scrim over-weight; did he not tell you that that sort of thing must not go on?—I have no recollection.

214. Did you not tell him that you were a new clerk and unused to the work?—I have no recollection.

215. Can you not say any more?—I have no recollection; I cannot swear to any particular conversation.

216. You will not say it did not take place?—I will not say it did not take place; but if any such conversation did take place, he did not make use of those words.

217. Most of these alterations, I notice, are in round figures? For instance, "1qr." is changed into some round figure easy to make?—Yes.

218. Some of these entries are altered by you twice?—Yes.

219. Turn up page 98 (Cast steel, bar of milled round steel), this appears correctly entered in the order-book?—That is so.

220. Altered by you in the order-book (page 46)?—The weight is blank.

221. You put it in the ledger?—The correct weight first was 17lb.; the 17lb. was then altered to 27lb. I have a distinct recollection of this item, that in calling back it was altered by me by direction.

222. I understand that you filled in the weights, when you were calling back?—Sometimes they were; sometimes they were not.

223. You say the practice was that you entered them in the journal; the journal was compared with the order-book, and then the weights were given to you. You must have made this entry before it was called over?—In this particular case I would have the yard-book.

224. Turn to page 115; there are a number of alterations on that day: were all these entries made on the same day; everything is increased by the hundredweight or by the quarter?—I have no recollection of the exact day.

225. Are there any instances in which you extended any item?—I have no recollection of anything of the kind.

225A. Could that happen?—It is possible to happen.

226. Do you remember any instances of any other alterations made?—I have no recollection.

227. If the original extension was calculated on the first weight it would be altered to make the second; how would you come to correct it from the yard-book?—I do not know of any reason for it: but a reason might be this; to put a supposititious case, that the yard-book was lying on the desk beside me, and it is likely I would make the entry direct to save the trouble of being sent out again.

228. The weights were entered when called over?—Generally.

228A. When else?—At other times. That is the nearest answer I can give you.

229. Before being called over, or afterwards?—Sometimes before; sometimes afterwards.

230. How did you come to make the entry; you have got the extension complete?—Extensions are not made until the whole thing is called.

231. Did you make alterations by Bridson's instructions if the extensions were complete?—I would if he told me to.

232. But you have no recollection?—This is an alteration, I think, in Mr. Gellatly's handwriting.

233. Had you an opportunity of knowing Mr. Gellatly's handwriting?—I saw it occasionally. I recognised it more particularly when we had this book yesterday. I believe it to be his.

234. Would you pledge yourself to the statement that that is as fairly accurate as the rest of your testimony?—What statement?

Mr. Skerrett: It happens not to be his writing.

235. Next, as to this composition pipe—I think the item is on page 29—how did you come to suspect that that was not the proper weight?—Speaking from memory, I saw the invoice.

236. From whom was the invoice obtained?—I forget for the moment.

237. Have you made any inquiry as to the price of composition pipe?—From plumbers?

238. It is kept by plumbers?—Yes.

239. Would you be surprised to hear that this is absolutely accurate?—I would not be surprised.

240. You did not think it your business to call any of your superiors' attention to clerical mistakes, or to mistakes of any kind?—It was their duty to check.

241. You would not call their attention to it?—They were my superiors.

242. Then, you would refrain from calling their attention to it, but you took a note of it?—I took a note of it.

243. *The Chairman*.] While you were in the employment of this firm, were any of the accounts rendered to the Government found to be incorrect?—By weights, or extension; they were returned frequently for alteration.

244. Was it brought under your notice that they were incorrect?—Yes.

245. Who by?—Through Mr. Bridson.

246. Was it discovered what employés had made mistakes which required correction?—It was never inquired into; it was there to be altered as directed; I suppose the voucher returned in the ordinary way through the post—in the ordinary course.

247. It would come to Mr. Bridson, and then he would instruct you what to do?—Yes; to correct it.

248. Was it found that any of these mistakes were attributable to you?—I have no recollection of anything being attributed to me.

249. Nobody complained that you were incorrectly entering weights or extensions?—I have no recollection.

250. You have said you had no recollection of Bridson having reproved you for making inaccurate entries?—I have no recollection of any such conversation.

251. If he says he did, are you prepared to say that he is making an incorrect statement?—I should most certainly say that he was.

252. *Mr. Montgomery*.] Are you aware of any weights being entered in the contract journal, and being inaccurate because too little?—In considering the weight-list, last night, I saw there was an entry, consisting of two items, undercharged possibly by 1cwt.

253. Any other?—That is the only instance I know of.

254. Was it your practice to enter all discrepancies between the weights of the yard-book and the weights of the contract journal, or would it be your practice to enter those weights which you considered to be an overcharge?—I took those which I considered to be an overcharge.

255. When Mr. Gellatly said you had better charge this over again, did he say so chaffingly, or was he serious?—I could not really tell you.

256. Was it an instruction?—As a matter of fact, I do not think it was an instruction. I do not know that I could take it as an instruction; my impression was that it would be better to ask Mr. Dawes. I believe he returned it; he came in the same day.

257. If it was not said as a joke, the natural thing would be to ask how it could be done?—I should think so.

258. Did you charge the same weight for this sash-cord to the Public Works Department as to the Railway Department?—I have no recollection of any instance where the Railway Department bought any.

259. Is it not the duty of a clerk to call attention to all errors and discrepancies in the books which he cannot account for?—I think it is not the duty of an under-clerk.

260. That he should not let these errors remain without calling attention to them?—That would be a matter to require the opinion of an expert accountant upon.

261. When these were returned, was the journal correct up to date in accordance with the vouchers?—No, the alteration might or might not have been made; probably not, it would be altered afterwards.

262. Would that be noticed in the journal, if by way of discount, for instance?—No, subsequent alterations. This is a copy of the voucher.

263. Would the original amount rendered balance with the voucher in the journal, or how was the balance arrived at when there was a discrepancy between the journal and the yard-book?—There was no balance called for.

264. *Mr. Tanner.*] If the clerk had been directed by a superior to enter a weight in the book which was known to be a false weight, would it be reasonable to expect an under-clerk to call attention to it, and correct the error?—No.

265. When these entries were made in that large book produced, who made out the accounts that were afterwards rendered to the Government?—I did.

266. Had any accounts been rendered at an overcharge before your time, to your knowledge?—I could not speak as to what happened before I went there.

267. Have you any knowledge on the subject?—I have no knowledge of previous vouchers being returned.

268. Have you heard whether many were returned?—Yes; I believe they were returned pretty frequently.

268A. Did any one say these vouchers were returned because of your entries?—No.

269. When these accounts were returned, into whose possession would they come first?—That would depend on whether they came through the post; in that case they would go directly into the manager's office; if delivered by hand, they would remain until Mr. Bridson came.

270. Would they ever come to you straight, without the intervention of any other person?—I do not recollect an instance of a voucher coming to me direct.

271. Would it not be brought to you direct to refer to the sale as invoiced?—No; it would go into the office; there would be no sale probably; it would lie on his desk and he would see it.

272. Afterwards it would be brought to you?—Yes.

273. Were you told afterwards at any time that all these accounts were returned entirely owing to your fault?—I had no such communication of any kind, either by word of mouth or by letter.

274. You were never remonstrated with by any partner of the firm that such was the case?—No.

Re-examination of Mr. J. H. JENKINS by Mr. Menteth.

275. *Mr. Menteth.*] You were asked if it was not the duty of a clerk to point out the errors to superiors, and you said you thought that on the whole it was not. What errors did you refer to; their errors, or errors of your own making?—Are you referring to these entries, or in a general way to what a clerk would do?

276. Suppose you discovered, in posting the entries, that you had made a mistake, would you think it was your duty to inform the superior of that fact?—Yes; that would be, in the ordinary way.

277. What errors were you referring to when you said it was not your duty to call attention to them?—These I took to be not errors. As the weights were given to me I entered them; though some of them might be inaccurate, I did not think it my duty to enlarge upon the fact, as I took it the superior was already aware of it.

278. That is, you did not think it your duty to tell your superior, who, you say, knew it already?—Quite so.

279. You said, in answer to Mr. Skerrett, that you could not remember any specific alterations which you did not notice?

Mr. Skerrett: He said, "No alteration of which he did not take note."

280. *Mr. Menteth.*] You mean, "No entries in the books which you did not suspect to be wrong, though you might not be able to prove them?"—There are entries there which there is no possible way of proving.

281. Proving what?—That they are incorrect.

282. As to what?—The weights.

283. Then, why do you think they are wrong?—Speaking from memory, I took note of the entries, as I have already explained, when I had the time and the inclination. I did not take the whole of them.

284. You wish the Committee to understand that there are entries besides these which you believe to be incorrect?—I know of no specific entry or entries that are incorrect, but I believe there are entries that are incorrect.

285. You made no alteration on your own responsibility?—No.

286. And not without the express direction of your superior?—Not without the express direction of my superior.

287. *Mr. Skerrett.*] I asked you about the weights under-estimated, as well as over-estimated?—I have mentioned an instance.

TUESDAY, 27TH AUGUST, 1895.—(Mr. A. R. GUINNESS, Chairman.)

DAVID JOHN McFARLANE sworn and examined.

1. *The Chairman.*] What are you?—I am an ironmonger.
2. In whose employment?—Of John Duthie and Co. (Limited).
3. Do you know anything of these sash-cord specimens that are on the table?—Yes.
4. In the trade is there a particular custom by which a standard weight is fixed for each hank?—There is approximately a weight for each.

4—1. 7A.

5. For each size?—For each size.
6. Look at those hanks on the table; they are No. 8 and No. 10, I think?—Yes.
7. *Mr. Menteath.*] Will you say what the weight of No. 8 Silver-lake sash-line would be?—Approximately, 2½lb. weight.
8. What would be the weight of No. 10?—3½lb. to 3¾lb.
9. If you saw No. 8 or No. 10 Silver-lake sash-cord listed at 7½lb. weight per hank, you would recognise that that weight was excessive?—I should imagine so; I have never seen them that weight.
10. I suppose you know something about corrugated iron?—A little.
11. How many sheets of corrugated iron should there be in a case, 26 gauge, of 7ft. lengths?—There are usually forty-one sheets.
12. Is that in a half ton or quarter ton case?—That is a quarter ton case. Of course, the quantities vary; it must not be taken at that exactly.
13. This entry refers to the State Farm: “32 sheets, 26 gauge”; there are three items altogether; how many sheets would there be in a case, 26 gauge, 8ft. lengths?—Approximately, thirty-six.
14. And in a case, 26 gauge, of 9ft. lengths?—Approximately, thirty-two.
15. Do you know the process of calling back?—Yes.
16. Have you ever gone through that process?—I have.
17. Supposing you were calling back, and you saw thirty-two sheets of 8ft. lengths put at 5cwt. 2qr. 7lb., would it strike you that anything was wrong?—I would question the weight and have it tested.
18. Would you form a rough calculation of what the weight would be, of thirty-two sheets of 8ft. lengths, of 26 gauge corrugated iron?—You ask me what I would imagine it to be? I should say 4cwt. 2qr.
19. That would be according to the customary weight?—About the usual weight.
20. If you saw, in calling back, thirty-two sheets of 9ft. lengths, 26 gauge, called at 6cwt. and 3lb; would it strike you that that was excessive?—Yes.
21. What would it work out, according to your customary process?—About 5cwt. 1qr. Of course, I must say, that these weights would be tested; I am giving you these answers off-hand, and my estimates are only approximate.
22. But you are following out a rule of calculation which works out approximately correct?—Yes.
23. Suppose you saw twenty sheets of 7ft. lengths entered at 3cwt. and 21lb.; would it strike you that that was excessive?—Yes.
24. What would be the weight according to customary calculation?—2cwt. 2qr.
25. Is there a usual weight in the trade for a case of corrugated iron?—No, not a standard weight; there is only an approximate weight.
26. There is an approximate weight?—Approximately 5cwt.; but there are cases of other weights; as, for instance, there are 10cwt. cases; the usual cases imported are 5cwt.
27. If you saw a case considerable over 5cwt. for 6ft. or 7ft. lengths that would strike you to be excessive?—Yes.
28. A few pounds weight here or there would not matter; that might occur in working out the weights?—It might.
29. Is there any standard weight for blacklead per tablet? What is commonly known at “penny” size is approximately 1oz. There are other weights, I believe, but what they are I do not know.
30. If in calling back you saw twelve tablets of blacklead treated as weighing 2lb. would you undertake to say that that was correct?—I would think the weight excessive.
31. What should it be?—Approximately, I should say about ¾lb. weight.
32. Do you know something about sheet zinc?—Yes, I could give you an approximate idea of the weights.
33. Twenty sheets of No. 10 zinc—what should be the approximate weight?—About 3cwt. and 7lb.; that is, for sheets 7ft. by 3ft.
34. What would be the weight of twelve sheets of No. 11 zinc?—A little over 2cwt., or 1lb. or 2lb. over the 2cwt.
35. Engineer’s bolts, 2in. by $\frac{5}{16}$ ths: what would be the weight of twelve such bolts?—They are usually sold not by weight but by the gross.
36. Can you give us some approximate idea of the weight?—It would be only approximate. I could not tell you for certain; I could give you an approximate idea.
37. What do you think would be an approximate idea?—About 1½lb.
38. Then, if you saw them charged at 7lb?—I would at once challenge the weight.
39. Can you give us an idea of the market price of plain galvanised iron?—It depends entirely on the brand and quality.
40. The iron is charged at £1 12s.—
- Mr. Skerrett* objected to the question being put, as there had been no suggestion that any weight had been charged other than was specified in the contract.
- Mr. Menteath*: This is a non-contract line.
- The Chairman*: The market price would be the ruling price, if nothing were said in the contract.
- Mr. Menteath*: This is not one of the things with a price set opposite to it: it is not one of the items that are scheduled.
41. *Mr. Skerrett.*] What is your answer?—It depends on gauge and quality.
42. *Mr. Menteath.*] If you saw, in calling back, twenty sheets of plain iron charged at £1 12s.,

would it not strike you that was a high price?—Yes; it would strike me as expensive, without knowing the quality.

43. Would not the designation “plain iron” be specific enough?—No.

44. *Mr. Mackenzie.*] What is the highest price of plain galvanised iron?—Different for various gauges. If you take 24 gauge, it would be £25 a ton.

45. Is that the highest price you have?—Yes.

46. *Mr. Tanner.*] That answer conveys no meaning whatever?—It is impossible to give a definite answer without knowing the gauge and quality; understand me, that is probably not the best that is made, but it is the best that we usually keep in stock.

47. *Mr. Skerrett.*] There is no standard weight for sash-cord?—I would not say so, I would say rather “approximate” weight.

48. Is it not the fact that bundles of sash-cord coming from the manufacturer contain numbers of pieces and bear different weights?—There is but a small difference.

49. The difference is 10 per cent?—Yes; I should say that 10 per cent. would be a fair difference.

50. Sash-cord is usually sold in the trade otherwise than by weight?—Yes; it is sold by the hank as well.

51. It is retailed by the hank; but in some cases it has to be charged by the pound. Have you been informed about these matters by Jenkins; these matters in respect of which you have been examined?—Only as to the sash-cord, not as to the others to the best of my belief. For corrugated iron there is no standard weight; there is an approximate weight, which all makers in the competition of trade adhere to as nearly as possible, with a slight variation more or less.

52. Which variation would be as high as 10 per cent.?—No; I should be surprised to see it.

53. How far would it go then; to 5 per cent.?—I should say not to more than $2\frac{1}{2}$.

54. Is not the variation usually recognised in the trade about 5 per cent.?—Not to my knowledge.

55. You have been asked by my friend as to the duties connected with calling back?—Yes.

56. It is the duty of the person transcribing from the order-book into the journal to detail the goods as they appear in the order-book?—Yes.

56A. In transcribing from the order-book into the journal what is the duty of the clerk?—From the order-book into the journal?

57. Yes; the order-book being in fact the day-book?—To make clear and correct entries as they appear in the order-book.

58. The order-book is compared with the journal?—In our establishment it is for the purpose of seeing that the entries are correctly transcribed from the order-book into the journal.

59. Mr. Jenkins says it was not the practice in Briscoe and MacNeil’s. Do you know the position that Mr. Bridson occupies in Briscoe and MacNeil’s?—Yes; generally.

60. Suppose you occupied Jenkins’s position as transcribing clerk, and you were directed verbally by Bridson to transcribe the orders, correctly entered into the order-book incorrectly into the journal, would you think it necessary to bring that under the notice of Mr. Gellatly, the resident manager of the firm?—I would, most certainly.

61. Do you think you would have any conversation with Mr. Bridson on the subject of “incorrect weights”?—I would have pointed out the discrepancy, most certainly.

62. You would not silently have obeyed his instruction without any comment, or making any remark, either to him or to Mr. Gellatly; you see what I mean?—It is hard to answer the question. It would depend on what my position was.

63. Suppose one should say that there was an entry in the order-book—an entry of 2qr. 27lb.—and you were ordered to transcribe the entry into the journal as 2cwt. and 27lb., do you think if you occupied the position of transcribing clerk you would have obeyed without any conversation with Mr. Bridson or reporting it to Mr. Gellatly?—I do not know what answer to make to that question.

64. What would you do?—I imagine I would report it.

65. Would you obey quite silently without having any conversation on the subject?—There are many ways to look at it. Suppose a man was in such a position that he would be likely to lose his place through it.

66. You think a man might refrain from having any conversation with Mr. Bridson?—Certainly, if a man was likely to lose his billet through doing so. I do not say what I would do under the circumstances.

67. Do you not think it improbable that there should have been no conversation, but simply the direction to make the alteration; with no conversation by Bridson with Jenkins, or by Jenkins with Bridson? Do you say, in answer to my question, that you think it would be probable that there would be no conversation between two persons occupying the position that Jenkins and Bridson did? Say what would be the case according to your practice?—In our establishment I think there would be some conversation about it.

68. Do you know Mr. Jenkins at all?—Yes, slightly.

69. He is not an ironmonger, I think?—I think not.

70. He was employed, I think, by Messrs. Duthie and Co. (Limited)?—Yes.

71. Doing what?—Clerical work.

72. For how long?—Do you mean this year?

73. He has been employed this year?—Yes.

74. How long was he employed this year?—About three or four weeks.

75. Do you remember what portion of this year? Was it before February or after May?—It was after May.

76. Could you tell me the periods during which he was employed?—I suppose I must answer. Is it necessary that I should answer?

77. *The Chairman.*] Yes?—During June.

78. *Mr. Skerrett.*] During that month you say he was employed there?—June or July—I could not say for certain as to July—this year and last year. Both times during our stock-taking.

79. I understood you to say that twenty sheets of No. 10 zinc would weigh 3cwt. and 7lb.—Approximately.

80. And twelve sheets of No. 11 would weigh a little over 2cwt., could you tell me what corrugated iron 6ft. by 7ft. would weigh?—I do not know such a size.

81. Twenty sheets of No. 10 at 2cwt. 3qr. 20lb.; is not that under the estimate?—Yes; it is under the estimate.

82. That is one of the items which Jenkins made a note of. You say it is rather under than over the estimate?—Yes.

83. I asked you at the beginning of the examination whether this particular class of goods had not been drawn to your attention, and you said that none, with the exception of the sash-cord, were given to you for your opinion?—The matter might have been discussed; I am not certain.

84. Has your attention been directed to these particular items for the purpose of giving evidence here in respect to the items mentioned by my friend—to the corrugated iron, the blacklead, the sheets of zinc, the engineers' bolts?—Does that involve the number of sheets and particulars of these various items?

85. I ask whether your attention has been called to these various items for the purpose of giving evidence here, including the weight, the 26 gauge, the 8ft. lengths, and so on?—Putting it in that way, I should say No. My attention has been called to sash-cord and to corrugated iron, but not to the various particulars and lengths.

86. Did you make your calculation mentally while you were here?—Yes, while I was here; all my evidence has been given mentally while sitting here; but I made it clear that my weights were only approximate, as I had to work them out.

87. Were they worked out here mentally, and not prepared previously?—Yes; that is so.

88. Had the engineers' bolts been mentioned?—Of 2in. by $\frac{5}{8}$ ths; No; I did not hear of them.

89. But you said you had heard discussions in regard to this inquiry?—Yes.

90. Have you heard Jenkins discussing the matter?—No; I could not say that I have.

91. You cannot say?—Nothing beyond the fact that he mentioned to me that I was to give evidence in respect to sash-cord and corrugated iron.

92. That was all?—Yes, to the best of my belief.

93. Did you hear him say anything about Bridson?—No.

94. *The Chairman.*] Is Jenkins in the employment of Duthie and Co. now?—He is not; he was only temporarily there during stock-taking.

95. He left some time before the end of June or the beginning of July?—Yes.

96. *Mr. Montgomery.*] What has a clerk in the position of Jenkins to do with the yard-book?—Well, all the heavy stuff sent from the yard is entered there, and he has to get all particulars from the yard-book.

97. I understand from you that when the order-book stated "so many sheets of iron" it would be his duty to enter from the yard-book into the journal the weights of the sheets?—Yes.

98. There might be a difference between the order-book and the yard-book?—Really, the stuff from the yard would not be entered in the order-book; that is the rule in our place.

99. *Mr. Mackenzie.*] Have ironmongers much to do with the books?—The man in charge of a department has to see, as far as he can, that everything is correct.

100. Does a subordinate ironmonger transcribe the entry from one book into another?—That is the duty of one of the clerks.

101. You were asked to describe the mode of book-keeping. Did you consider that you were giving evidence rather as an expert ironmonger than as a book-keeper?—The books in the department that I have charge of are under my control.

102. *Mr. Tanner.*] In case of an item entered in the yard-book, the yard-book being produced to make the correct entry in the journal, would you assume that the entry in the yard-book would be correct?—There is nothing to prevent it.

103. Assuming that you did not make the entry, and the yard-book was produced for you to make the entry from into the journal, would you consider the entry in the yard-book dependable?—In an ordinary way; but I might challenge the weight in the yard-book.

105. If you were directed to alter the weight to some other than that which was in the yard-book would you not think that a singular proceeding—would you not consider it a very unusual proceeding?—I would.

106. Suppose you were directed to do that repeatedly, would you feel uneasy?—Certainly.

107. Would you be likely, while this was being continually practised, to write a letter to one of the principals of the firm calling his attention to it?—That is coming to the question which I have been already asked, and gave an answer to that "until you are in such a peculiar position you could hardly say what you would do."

108. You consider that you would be very uneasy if you were ordered to enter any other weight than the correct weight?—Yes.

109. That being so, I asked you what would be your course of proceeding; would you silently, secretly, and surreptitiously insert these altered weights?—I cannot answer that.

110. *Mr. McGowan.*] Your evidence is presumably expert evidence upon what has been put before you here just now?—Yes.

111. You referred to Nixey's blacklead?—Yes.

112. You stated that it was usually made up in a size, twelve tablets of which would weigh $\frac{3}{4}$ lb.; is it not the fact that it is put up in 1oz. and 2oz. tablets?—I would not like to say for certain; that is nominally what they are.

113. Is that not actually what they are ; the box containing sixteen or eight tablets according as they are 1oz. or 2oz. ?—It is sold by the gross and not by the weight.

114. Are there not others put up twelve to the pound and six to the pound ; Rickett's for instance ?—I do not know anything about Rickett's.

WILLIAM MONCRIEFF sworn and examined.

115. *Mr. Menteath.*] You have been in the ironmongery trade ?—Yes.

116. How long ?—Twenty years.

117. In that capacity you know something about a line called Silver Lake sash-cord ?—Yes.

118. How is it usually put up ?—In 100ft. lengths.

119. Hanks, you would call them, in 100ft. lengths ?—Yes.

120. Is there any standard weights for such hanks according to size ?—There is an average weight for them.

121. What would the average weight be for No. 8 ?—2½lb.

122. And for No. 10 ?—We do not keep No. 10 ; I have never handled No. 10.

123. Do you find any great variation between these hanks ?—No. 8 : they might vary one ounce, or two ounces, but nothing more.

124. As to corrugated iron, how many sheets would there be in a case of 26 gauge 7ft. lengths ?—About forty-one sheets.

125. A similar case of 8ft. lengths ?—Thirty-six sheets.

126. A similar case of 9ft. lengths ?—Thirty-two.

127. Have you been engaged in the process of calling back the journal with the order-book ?—No.

128. Have you had to check the book sometimes to see if they were correctly posted ?—That is generally done in the office ; I have nothing to do with that.

129. You have not worked in the office ?—No.

130. Suppose you saw an entry where thirty-two sheets of 8ft. lengths of corrugated iron was described as weighing 5cwt. 2qr. 7lb., would you detect anything irregular in that ?—It would be rather heavy.

131. What should be the weight of thirty-two sheets of 8ft. lengths ? What is the general rule ?—About 4cwt. 2qr. 18lb.

132. Therefore you would call it excessive if they were described as 5cwt. 2qr. 7lb. ?—Yes, it would be over the weight.

133. And if thirty-two sheets of 9ft. lengths were set down as 6cwt. and 3lb., would that strike you ?—Yes.

134. As under or over weight ?—As over weight.

135. Will you tell us what your calculation would be, according to the trade rule for thirty-two sheets of 9ft. lengths ?—5cwt. and 16lb.

136. Suppose you saw twenty sheets of 7ft. lengths described as 3cwt. and 21lb., what would you think of that ?—It would seem heavy also.

137. How would it work out according to your method of calculation ?—2½cwt.

138. What is the usual weight of Nixey's blacklead in the trade ?—Ounce cakes.

139. Then a dozen of these cakes would weigh ?—12oz.

140. Suppose you saw them entered as 2lb. ; you would say that that was very heavy ?—Yes, it would be heavy at that weight.

141. Do you know the weight of engineers' bolts 2in. by $\frac{5}{16}$ ths ? What would a dozen of such bolts weigh ?—From 1½lb. to 2lb.

142. If you saw them entered at 7lb. would that attract your attention ?—It would be heavy for a dozen.

143. *Mr. Skerrett.*] You said the weight of sash-cord is a proximate, not a standard weight ?—It is a proximate weight.

144. With regard to corrugated iron, that is a proximate estimate ?—A fair average weight.

145. Proximate, not standard ?—Not standard.

146. Different brands weigh differently, do they not ?—Yes ; very little.

147. Nixey's blacklead is made up in ounce tablets ?—Yes.

148. In any other form ?—There are not 2oz. tablets ; at least I have not seen them.

149. *Mr. G. Hutchison.*] Where are you employed ?—By E. W. Mills and Co.

149A. Do you remember any asbestos tape that was supplied ?—That is kept in another store.

151. And shackles ?—That is kept in another store.

Mr. Skerrett applied for leave to examine a witness who was passing through Wellington, and who would be put to great inconvenience if detained in Wellington. [Leave given.]

Mr. THOMAS BARMBY sworn and examined.

152. *The Chairman.*] Your name is Thomas Barmby ?—Yes.

153. You reside at Dunedin ?—Yes.

154. *Mr. Skerrett.*] Some years ago you were a member of the firm of Wilkie and Co., wholesale stationers, Dunedin ?—Yes.

155. You were a partner in that firm, and James Hendry Jenkins was an employé of the firm ?—Yes.

156. Do you see him in the room ?—Yes, I see him here.

157. During what period of time was he in the employment of Wilkie and Co. ?—I think it is about six years ago.

158. How long was he in that employment ?—He was employed in two capacities ; first he did some travelling on commission.

159. How long?—That lasted about six months.
160. After that?—He was bookkeeper and cashier.
161. How long was he in your employment?—It would probably be six months or a little more.
162. During the time he was in your employment did he misappropriate money belonging to the firm?—Yes, he did.
163. Did you tax him with such misappropriation?—I did.
164. Did he deny it?—No, he did not deny it.
165. What excuse did he give?—He said that he was hard pressed for money; that he had temporarily used the money, and that he intended to repay it.
166. Was that offence overlooked?—It was charged to his account; it was overlooked.
167. It was debited against him?—Yes; it was debited against him in the books of the firm.
168. After that he continued in your employment?—Yes.
169. Did you find out further misappropriation?—Yes.
170. He had misappropriated money that he received belonging to the firm?—Yes.
171. Did he admit that to you?—Yes.
172. Was he dismissed?—Yes; he was dismissed.
173. Why was he not prosecuted?—Through the feeling entertained for his father and his brother, for whom both Mr. Wilkie and myself had great respect.
174. Did he ever repay that money?—A very small proportion; two or three pounds which came from his wife, who was in Wellington.
175. *Mr. Menteath.*] Was Jenkins dismissed from your employment?—He was.
176. How?—He was told that we could not put up with this thing again: that was the second definite instance.
177. Was it by letter?—No; verbally.
178. Was notice given to him?—There might have been a day or two's notice towards the end of the week.
179. What was the amount of the deficiency?—There were two sums that I could definitely prove.
180. The amount?—One was a little over a pound; the other was three guineas, I think, or something about that.
181. Were the particulars of these sums made known to Jenkins?—Yes.
182. By whom?—By myself, and Mr. Wilkie in my presence. I might say that, in the second instance, Mr. Wilkie was more interested than I was; for it was money belonging to the Acclimatization Society, of which Mr. Wilkie was honorary secretary.
183. Do you recollect the date?—I could not recall the date exactly; I have no doubt I could give you all the particulars from the books of the firm in which they were charged to him.
184. Where is Mr. Wilkie?—He has been dead something like four or five years.
185. If Mr. Jenkins states that he had no notice from you of any defalcations; that he never heard so from you; that this is the first time he ever heard such allegations made—would you say that he was saying what is false?—I would, most decidedly. He wrote to me from Wellington. He knew I was much needing money after Mr. Wilkie died; he said he would see me right, no matter what happened. His wife also wrote to me. He knew very well that I could make part of this account a criminal case. His wife wrote to me sending £2 10s. I think it was, and begged that I would not take any action.
186. What kind of action, civil or criminal?—Either. He was pressed for money at this time.
187. You considered him good enough to give him credit for £15 or £20?—No, I did not; the way his account accumulated was little by little. I might state that, before he came into our employment, I lent him money at his urgent request. Then, when he was our commercial traveller, he generally contrived that his account should be overdrawn; this was added to his open account. On more than one occasion I paid his salary in advance. I told him that, rather than he should have done this, if he had asked for money I would have lent it to him.
188. When he left your employment, was he owing you money—how much?—From £18 to £20.
189. That includes about £15 you lent him?—Yes.
190. And the other, you say, he embezzled?—Yes.
191. When were you told you would be required to give evidence?—I think the first I heard of this was about three weeks ago.
192. When were you told you would have to give evidence here in this case?—That is only two or three days ago. I was asked about Mr. Jenkins, and what knowledge I had of him, about three weeks ago.
193. Where?—In Dunedin.
194. Were you served with a subpoena to attend here?—Yes.
195. In Dunedin also?—No, in Wellington.
196. Did not Mr. Jenkins leave your employment on his own account to enter into the employment of the Phoenix Company?—No; I think not.
197. What was the interval between leaving your employment and his entering that of the Phoenix Company?—I do not know. I know he was there after he left us; but I could not say how long.
198. Do you know that he joined the Phoenix Company on the Monday after he left you?—I do not know.
199. He left you on the Saturday and joined the Phoenix Company on the Monday?—I do not know; I heard soon after that he was there.

200. Did he not give you notice that he was going to leave your establishment to join the Phoenix Company?—No; that was not so.

201. The Phoenix Company was in the same line of business?—No, entirely different. I think he met me, and told me that he had got employment there. I was very pleased to hear that he had got in there. That, I think, was two or three days afterwards.

202. *Mr. Montgomery.*] Was this misappropriation made by false entries in the books?—No. One instance was an account which he had collected, and did not account for the money in any way. How I found it out was, when I was going to collect this account a week or two after, the customer said he had paid the money some time before. I then went to Jenkins, without having demanded receipt, and told him what the customer said. He said it was so. I then went back, and saw the receipt. The other instance was money that was kept in a separate cash-book; it was money for license-fees belonging to the Acclimatisation Society.

203. There were no false entries in the books?—I do not know of any.

204. The fact of taking the money was at once admitted?—Yes; it was at once admitted.

205. *Mr. Tanner.*] Has not the whole of this money been repaid; and, if so, what would you found a criminal charge upon?—No, only a few pounds; upon the two definite instances stated.

206. You are not sure?—It may have been liquidated; it is possible.

207. If this particular money has been paid, then the only question that remains is of borrowed money between Jenkins and yourself?—Yes.

208. You did not discriminate between the accounts?—No, I did not discriminate between them; he wrote to me.

209. If he owes you this money, then he did not embezzle; if he owes it to you and promised to pay, and you accepted his promise, on what ground would you found a criminal charge?—It might be put that way; the two sums were added to the account.

210. *Mr. McGowan.*] Why should you presume embezzlement if you added this money to his account?—I did consider that there was embezzlement.

211. How could that be if you entered this money to his ordinary account?—All I can say is, that it was added to his account.

212. If you had an open account with him, then it was not a case of embezzlement?—If a person collects money, and does not account for it, and takes two or three guineas from a cash-box, what would you call that?

213. Why did you not take proceedings against him?—Mr. Jenkins's family was well known to us; we felt for him on account of his father and brother, and we did not wish to make a public example of him.

214. *Mr. Menteath.*] The circumstances of taking money out of a cash-box were these: you noticed that two or three pounds were missing; you asked Jenkins about it, and he said he intended to put an IOU into the box?—Yes.

215. *Mr. Skerrett.*] You are quite certain you dismissed Jenkins from your employment for misappropriation of money?—Yes.

216. He had no right to use the moneys of the firm?—He had no right to use this money.

217. Had he any right to use the money which he took out of the cash-box?—No.

218. *Mr. Menteath.*] And then, on account of your feeling for his family, you condoned the criminal offence?—I may have done so.

THOMAS CLARK JENKINS sworn and examined.

219. *Mr. Menteath.*] You are in the employment of Messrs. Hayes and Co.?—I am a member of the firm.

220. In that capacity you would have considerable experience of plumbing, and plumbing work generally?—Yes.

221. Can you explain what is the difference between solid drawn lead pipe and sanitary pipe?—There is really no difference whatever; they are one and the same thing; both terms are applied to pipes made in straight lengths as distinguished from ordinary pipe in coils.

222. Will you look at the contract price list, item 544, and say whether the price set opposite to it refers to sanitary pipe?—I should say so; sanitary pipe is not mentioned.

223. You say "all sizes" would include sanitary pipe?—Yes.

The Chairman: Do you produce the invoice, Mr. Skerrett?

Mr. Skerrett: What is the date?

Mr. Menteath: 15th February.

Mr. Skerrett: We have not been able to find it; but we will give the Chairman authority to get it from Messrs. Hayes and Co.

224. *Mr. Reid.*] We have it in evidence that the prices of solid drawn lead pipe and sanitary pipe are different; is there any difference?—The difference lies in the cost of transit.

225. But is there any difference in price?—There is no difference.

226. *Mr. Montgomery.*] You would say that pipe of all sizes mentioned in this schedule included sanitary pipe?—Yes.

Mr. H. J. H. BLOW, Under-Secretary for Public Works, sworn and examined.

227. *Mr. Reid* (Assistant Law Officer).] Your name in full, Mr. Blow?—Horatio John Hooper Blow.

228. You are Under-Secretary for Public Works?—Yes.

229. Are you aware of a contract entered into by Messrs. Briscoe, MacNeil, and Co. with the Government for the supply of ironmongery and other goods?—Yes; they are the contractors for the Wellington District.

230. Is this the contract [put in]?—Yes.

231. What is the date of acceptance?—The 31st January, 1895.

232. That is the contract under which these goods have been supplied in relation to which evidence has been taken during the progress of this inquiry?—Yes.

233. Can you state shortly, Mr. Blow, the system of storekeeping in the Public Works Department?—Yes; I will begin by saying that it differs somewhat from that of the Railway Department, because the circumstances of the two departments in some respects are not the same; all supplies for the railway are required on the line, and can quite conveniently pass through the Railway Stores.

234. Is there a difference in the nature of the goods supplied?—There is no great difference in the nature of the goods supplied; but the goods for the Public Works Department are mostly required on the works, and the contract compels the contractor to deliver them anywhere in Wellington. If, for instance, we wanted goods for the Mount Cook Gaol or the Lunatic Asylum they would have to be delivered there.

235. They would not come into the store?—Not if they were required for immediate use. If they were goods not for immediate use, or goods bought in quantity and to be issued in instalments, they would come into the store.

236. Are there general instructions for direction of the officers of the department in respect to goods supplied to the department?—Yes; I have here the departmental instructions to engineers and storekeepers, showing the methods to be adopted in keeping the store accounts.

237. Were these instructions in force at the time this contract was entered into by Messrs. Briscoe and MacNeil, at the time the goods were delivered, and subsequently to the contract?—Yes; they bear the date 17th June, 1892, and they are still in force.

238. Would you give us in detail the proceedings adopted in ordering stores, and giving the receipt therefor when they are delivered to the department?—When stores are to be ordered the storekeeper puts them in the requisition-book; but he is not allowed to order these goods himself without the approval of the engineer. He therefore submits his list to the engineer, who either amends or approves of it. When the engineer amends or approves, the storekeeper puts a copy of the order into requisition form and sends this on to the contractor.

239. When the goods are delivered, does any delivery-note accompany the goods?—Yes.

240. Then the contractor, when he supplies the goods, sends a delivery-note with them?—Yes, he sends a delivery-note which he gets back by his own carter, receipted by the storekeeper or the workman in charge who receives the goods.

241. Have you any specimen copies here of the delivery-note sent in?—Yes, here are a number of them sent in under this contract.

242. *Mr. G. Hutchison.*] These would be returned?—They are sent back receipted when the goods arrive.

243. How are the accounts sent in?—The contractor must send in his accounts not later than once a week; as a matter of fact Briscoe and MacNeil sent in theirs almost daily. When the account comes in it has to be accompanied by the requisition form, so that it may be seen that the goods were duly ordered, and also that the quantity supplied was not in excess of the order; and also by the delivery-note, so that the Engineer may know that the goods were really received.

244. How are the accounts checked when received?—They are checked in the Engineer's Office; he would send them to the Head Office. Every voucher that comes to me is certified by the Resident Engineer. I am content with his certificate.

245. Do you know whether any of these accounts have been returned for correction?—I do not know whether they were returned for correction; I only know that many of them have been corrected, for the corrections appear on the face of them.

246. Do you produce the vouchers referred to by Mr. Jenkins in his evidence?—Yes, I have them here all but one; that one is a voucher against the Lunatic Asylum. I have given the Lunacy Department notice that it was wanted for the purposes of this inquiry. I have received a notice from the Lunacy Department that they have not been able to find it.

247. The sash-cord that is mentioned was supplied to the Lunatic Asylum?—Yes, I have the voucher here—Treasury voucher 4105; it shows that the sash-cord was charged at the weight stated by Mr. Jenkins. The overcharge was not detected, and the account was paid. But this is not a charge against the Public Works Department, but against the Lunacy Department: the overcharge is £1 13s.

248. Now we come to the lead pipe?—Yes; voucher 1244; it is charged as 20lb. at £1 per hundredweight. I have no idea what it weighed. If it weighed 16lb. only, as stated by Mr. Jenkins, the overpayment would be 9d. at £1 the hundredweight.

249. Next, as to the glass from Tingey's?—Yes; the voucher for that is in already: voucher 1443; it shows that the glass was originally charged as 380ft., but it was altered in the department to 156ft., which was the actual measurement.

250. *Mr. G. Hutchison.*] Can you tell us when that alteration was made; the voucher was put in in April?—It is dated in April.

251. When paid?—Not until the 18th July.

252. When was detection made by the department?—I could not say; there is nothing to show.

253. *The Chairman.*] When was it received in the office?—24th April; it did not leave the office until the 28th of June.

254. Can you tell us when Mr. Jenkins saw the department?—It was while I was on the West Coast; I left on the 21st April and returned on the 6th June.

255. It was within those dates that Mr. Jenkins informed the department?—Yes.

256. We want to know who it was that detected this error?—We can call Mr. Biddell, who usually checks the vouchers, and also Mr. Young, the storekeeper. Probably one or other of them can tell you.

WEDNESDAY, 28TH AUGUST, 1895.—(A. R. GUINNESS, Chairman.)

[Mr. Menteath wished to put in invoice of Jenkins, Hayes and Co., for 30ft. 2½in. lead piping, 1cwt. and 22lb., at £1 2s. 6d.—£1 6s. 8d., and Mr. Skerrett agreeing, the exhibit was put in.]

ROBERT WALLACE sworn and examined.

1. *Mr. Menteath.*] Your name is?—Robert Wallace.
2. And you have been in the ironmongery business for a considerable time?—Yes.
3. How long?—Seventeen or eighteen years.
4. I believe, in the course of your experience, you have had to frequently check journals and other books in which the weights of goods sent out were entered?—Yes.
5. Would these items have struck you if you had been checking the journal and saw them there, as at all exceptional: first, thirty-two sheets of 8ft. corrugated iron charged as 5cwt. 2qr. 7lb.—8ft., thirty-two sheets?—There is not much difference there. It would depend very much on the brand; some brands are very much higher than others.
6. Suppose it was 26 gauge?—It is a question which depends entirely on the brand. There cannot be very much difference. Going over a number of items like that, one would be very apt to pass it.
7. What would you say of thirty-two sheets of 9ft. iron charged as 6cwt. and 3lb.?—That item appears to me to be a bit heavy. It may be just the same thing: it depends on whether it is New Zealand corrugated iron as against English iron. I would not be a bit surprised if New Zealand iron weighed that weight.
8. But have you not a receipt in the trade for working out roughly the result, whatever may be the lengths of the iron?—Yes.
9. *Mr. Montgomery.*] What is the rule?—About 2lb. per foot.
10. *Mr. Menteath.*] Taking it at 2lb. per foot, thirty-two sheets of 8ft., can you tell us what it will come to? Should it not be 4cwt. 2qr. 7lb., instead of 5cwt. 2qr. 7lb.—a difference of 1cwt. and 23lb?—I am not prepared to swear to that. Some cases are light and others heavy. 2lb. is near enough to make an approximate estimate.
11. *Mr. Skerrett.*] I understand you to say that you do not think the variations suggested by my friend would have attracted your attention in checking unless you were specially directed towards it?—8ft. lengths would not have done so; 9ft. lengths might.
12. You would not pretend to say it would attract attention?—No.
13. I understand the New Zealand iron is heavier than the imported iron?—Yes.
14. And the imported iron varies in weight?—Yes.
15. I think Stewart and Co. were at one time contractors to the Government?—Yes.
16. For oil and colours and white-lead. I think you were in charge of the business of Stewart and Co., who supplied that class of paints?—Yes.
17. I think you have been in many other business houses in the colony?—Yes, a dozen others; some of them larger houses.
18. In a large account, extending to thousands of pounds, would you not expect, in the ordinary course of things, to find corrections and deductions?—Yes, always some; more especially in dealing with the Government.
19. What was your experience with the Government?—It was very unsatisfactory from the first day to the last.
20. Why?—We never got a proper settlement. The last contract is not squared up yet.
21. Disputes have arisen between yourself and the department as to a certain line of goods?—Yes.
22. And there have been occasional corrections, of course?—Yes.
23. I think you have found it prudent to take the construction of the department?—Yes; there is no one to come upon for anything.
24. Even in comparatively large accounts, comprising a large sum of money, would you not expect to find a percentage of corrections and deductions?—Always, to a certain extent, more or less.
25. Is it not generally expected in the trade that a deduction is always allowed in the business?—Yes; there are discrepancies in spite of you.
26. What would be a fair percentage to allow?—In business accounts you can always remedy the difference, but with the Government they must cut and carve. Ours have always been very excessive; some of them as high as 10 per cent. over the Government's.
27. I suppose that even with private accounts a deduction of 2 or 3 per cent. would not be out of the way on a large series of accounts?—That would be too much.
28. What would you put them at?—1 per cent.
29. Then on a private account 1 per cent. would be a fair allowance?—Yes.
30. *Mr. Montgomery.*] You say you would not notice the difference in the No. 8 iron between 5cwt. 2qr. 7lb. and a hundredweight less, but could it not be worked out by your general trade rule?—No; because on thirty-two sheets of the 8ft. there are just about thirty-six or thirty-seven sheets altogether, and looking at it in checking the thirty-two sheets you would be very apt not to notice it.
31. It would be a difference of about 20 per cent.?—Yes.
- 31A. What is the variation in the weights of iron generally?—Three to four sheets in the case; it would bring about a matter of, say, ten to twelve sheets in the ton; some more than others.

32. Half a hundredweight in the 5cwt. case?—Yes; it would not be a great deal less.
33. This difference comes to 20 per cent.?—Deducting the sheets to waste it would be about 4cwt. 2qr. 8lb.
34. That is just 1cwt. more?—Yes.
35. And that difference you consider a trivial one?—Yes; well, it is thirty-two sheets—4cwt. 2qr. 8lb.: the thirty-six sheets would be about 5cwt.; at thirty-two it would not strike you as being out of the way for 5cwt. 2qr. 7lb. I have taken it as 5cwt.
36. But this is 1cwt. more?—The 1cwt. would make a difference. I have charged it as 5cwt. and 8lb. There is a discrepancy there, and it would be noticed.
37. In the other cases there are 6cwt. and 3lb. as against 5cwt. and 16lb.?—That is thirty-one sheets of nines.
38. No, thirty-two nines?—The thirty-two nines is another 18lb., nearly 1cwt.; about 3qr. I should say. I would have noticed it in the 9ft., but not in the eights.
39. If I had not drawn your attention to it?—Yes.
40. *Mr. Tanner.*] Iron is generally supplied in quarter-ton cases?—Yes.
41. How many sheets?—It depends entirely on the length. Say 7ft., about forty to forty-one.
42. And in the 8ft.?—About thirty-one or thirty-two. I beg pardon, thirty-seven in the case. Sevens are forty-one; nines about thirty-one.
43. What is the meaning of the expression “quarter-ton cases”; does that mean the weight of the iron, or of the entire package?—Very few of them are exactly 5cwt. They are nearly always over that. You may get an odd one now and again, but they are nearly always over that.
44. In the case of the 8ft. in length, thirty-two to the case. If you found thirty-one weigh more than the total case, you would consider something was wrong?—Yes.
- Mr. Tanner:* That is sufficient.
45. *Mr. Menteath.*] If you saw twenty sheets of No. 10 zinc charged as 2cwt. 3qr. 20lb., would you say it had been correctly charged?—From my experience in weighing zinc, I make twenty sheets of No. 10 zinc come out about 2cwt. 3qr.
46. You would?—Yes, if I was asked to make up a price for 20 tons I would do so.
47. *Mr. Reid.*] I would like to know how it came so high as that?—I should say it would as a rule.
48. Was this a new system of checking the amounts, or was it by reason of any disagreement as to the amount of goods? How did they come to be reduced in this way?—If the head of a department got a price, they arranged to give that price. If it was not in the contract it was always cut out, and no explanation given of it. Our contract with Stewart and Co. is still standing unsettled.
49. You say that is on account of the particular contract and the position of the parties; how did you come to enter into such a contract at all as that?—We had no alternative; the Government do just as they like with you. They have a way of construing the contracts to suit themselves, and some of the people in the department who check the accounts, I am sorry to say, pretend to have information, and I am certain they have very little.
50. And is it to the detriment of the contractor?—Yes, always, as a rule; that has been our experience.
51. *Mr. Menteath.*] There is a matter of 10 per cent. in favour of the supplier on Government contracts?—No; I said they had made deductions.
52. Therefore, I presume, there were items of deductions and overcharges?—No, certainly not; there were no overcharges.
53. You say the overcharges amount to about 1 per cent., and therefore, you led us to understand that in the balance of an ironmonger and his private customer there is always an excess in the amount charged over the amount paid of 1 per cent.?—Not always; you have discrepancies; you give a man a price, overlook the value, put it down, and perhaps charge a different price when rendering the account, and have to take it off.
54. Do you sometimes gain more than you lose?—The customer will tell you if they are overcharged.

Evidence of H. J. H. BLOW continued.

Mr. Blow: I would like to make an explanation as to the last item—the voucher for glass. We have seen that the error was corrected, but Mr. Hutchison asked when the correction was made—that is, was it made before Mr. Jenkins made his charges or after? I said I did not know, and I wish now to add that this particular error would certainly have been detected in the department, even if Mr. Jenkins had not mentioned it, because the voucher carries the evidence of error on its face. There were so many sheets of glass, and the sizes are stated, so that any clerk could compute the total quantity; and if the error was not discovered in the Public Works Department, it certainly would have been in the Audit.

55. *Mr. Reid.*] Now, as to this item, sash-cord for Stock Inspector's house?—That voucher contained several errors, so that the Engineer wrote out a fresh one, and it is therefore not in the handwriting of Briscoe and Co.'s clerk.

56. Have you the original?—Yes; the original account was for ten hanks of Silver Lake sash-cord B 7, 75lb. at 1s. 6d.—£5 12s. 6d.; altered to ten hanks, 20lb., at 1s. 6d.—£1 10s.

57. *Mr. Montgomery.*] Whose handwriting is it in?—Jenkins's handwriting.

58. I understand that it was corrected in the Government offices?—Yes; there are other corrections on the same voucher, some of them mentioned by Mr. Jenkins.

58A. *Mr. Reid.*] You might give the total of the original and corrected vouchers?—The original is £64 5s. 4d., and it is amended to £53 6s. 10d.

59. That is made up of various items credited, and some things returned. How much represents goods returned?—There was a considerable overcharge before the goods were returned,

60. *Mr. Montgomery.*] Can you not tell the amount?—One item read originally “Best scrim, 448 yards, at 3½d.—£6 10s. 8d.” Then, there is a note that the first lot was returned owing to bad quality. The second lot sent contained two bolts, of 50 yards each (100 yards), at 3½d.—£1 9s. 2d. I think I can explain the matter. Jenkins says, in his evidence, he charged the scrim at per square yard, which was, of course, a mistake. The correct charge would have been £1 12s. 8d., instead of £6 10s. 8d.; but the stuff was returned altogether and a new line got.

61. *Mr. T. Mackenzie.*] Who invoiced it?—Jenkins.

62. It is usually about 6ft. wide?—Yes. There is another small item corrected—thirteen sash-hold rings, charged at 5s. 6d. per dozen, instead of 3s. 6d., and the charge is reduced from 6s. 3d. to 3s. 10d. There are two items further on that Jenkins gave evidence on.

63. *Mr. Reid.*] Have you done with that voucher?—No, it is not done with. Jenkins gave further evidence later on.

64. What are the other items you have a note of *re* Jenkins's evidence?—The sheet zinc.

65. *Mr. Skerrett.*] Twelve sheets, No. 11 sheet zinc, charged at 2cwt. 1qr. 21lb., and reduced by the Engineer to 1cwt. 3qr. 14lb. The difference in price is?—£2 18s. 6d. originally, and £2 5s. in the voucher as certified.

66. *Mr. Reid.*] The next item is?—It is on the 5lb. sheet lead, charged originally as 1cwt. 2qr. 14lb., reduced to 1cwt. and 12lb., and the money from £1 4s. 5d. to 16s. 7d. [Voucher with correspondence attached put in.] The correspondence was on account of the fact that the weight of the sash-cord was so largely reduced, and the accountant thought the difference was too great, and sent it back to know if it had been weighed, and the Engineer said it was weighed in his presence. The contractors were not asked about it, and their attention was not specially drawn to the reduction.

67. The next item is sash-line delivered to the workshops?—I believe Jenkins said this was before he was in the firm; it was a precedent of how he had to invoice the sash-line.

68. The next item is sheet lead for the Porirua Asylum?—Yes, Public Works voucher 660; Mr. Jenkins stated this was entered in the journal as 1cwt. 2qr. 14lb., and ought to have weighed 1cwt. and 14lb. It was only charged as 1cwt. and 14lb., which was the correct weight, and it was paid; voucher is in Jenkins's handwriting.

69. *Mr. Reid.*] Bolts for Porirua Asylum—Public Works voucher 656. What are these charged at?—Twenty holding-down bolts, 9 x ½in. diameter, 1qr. 14lb.

70. Is that paid?—Yes.

71. Sent to the Porirua Asylum?—Yes; they were weighed, or similar bolts have since been weighed, and the Engineer will give evidence that they weigh 27lb. The overcharge would be 2s. in that case.

72. Jumpers and cleaners for the Survey Department?—Land and Survey Department, voucher 17477; this is not in the handwriting of Briscoe, MacNeil, and Co.'s clerk; three jumpers 1 by 9, and three 1 by 12, and eight cleaners, charged as 300lb. This weight does not agree with either Robertson's invoice or Briscoe's book. It clearly shows an effort made by the department to check the weight. This was delivered at an out-of-the-way locality, and I expect they sent to the local storekeeper to have it weighed, but I do not know that of my own knowledge.

73. It is 48lb. less. It is greater than Robertson's invoice, but less than Briscoe's original voucher. The next item is Public Works voucher 2207. One piece of sheet lead of 5lb., Departmental Buildings, charged as 7cwt. and 8lb., but reduced by the Engineer to 6cwt. 2qr. 8lb., and reduced weight paid for. The next are three or four small charges. (Voucher 16193.) One bar of milled steel, ½in., charged as weighing 27lb. and paid for at that weight. Next, bar cast-steel, charged as weighing 17lb. and paid for at that weight.

74. Sash cord?—One hank “Silver Lake” sash-cord, 7½lb., and paid for at that weight.

75. Who did they go to, direct or to the Inspector?—All the articles on this voucher were for the Defence Department. I asked the Defence Inspector, and he said the goods were all delivered on to the works, but he could not say anything as to the weights. There was another item—engineers' bolts, one dozen ⅝in. bolts by 1½in., charged at 7lb., and paid for at that weight.

76. *Mr. Montgomery.*] I would like to see the 17lb. and the 27lb. Were they separate charges, and was that correct?—We have no knowledge. Jenkins says it is not correct; but we have no knowledge.

77. *Mr. Reid.*] At this distance of time you could not state that?—No; and besides, they were sent on to the works.

78. Corrugated iron for the State Farm?—That was supplied direct to the State Farm on their own requisition and without applying to the Public Works Department (voucher 10436). The first entry referred to thirty-two sheets “Pyramid” corrugated iron, 8ft., 26 gauge, charged 5cwt. 2qr. 7lb., and paid for at that weight. Next entry, thirty-two sheets same, 9ft., charged 6cwt. and 3lb., and paid for at that weight. Then twenty sheets 7ft., charged 3cwt. and 21lb., and paid for at that weight; also, one 4in. jaw tail-vice, 2qr. 24lb., and paid for at that weight. I have made inquiries as to this weight, and find it was not weighed, the State Farm authorities having no appliance for weighing. Next, composition pipe for Workshops (voucher 318), 20ft. composition pipe ⅝in., 30ft. ¼in.; charged as weighing 1qr. 9lb., and paid for at that weight.

79. *Mr. Montgomery.*] As to this iron for the State Farm, have you any evidence?—I have none. These were supplied without the intervention of the Public Works Department.

80. Treasury voucher 64831?—Forty sheets of “Pyramid” iron, 6ft., 26 gauge, 3cwt. 3qr. 14lb.; there can be no doubt that that iron weighed more than that.

81. How do you arrive at that?—The rule of the department is 2lb. to the foot run for 26 gauge iron; and you will find at that rate that the weight should be 4cwt. 1qr. 4lb., so there is an undercharge of a half hundredweight: on the same voucher there are thirteen sheets of same, 7ft., 26 gauge, charged as 1cwt. 3qr. 14lb.; this weight by the same rule of computation is one-quarter too heavy, so that on the whole there is an undercharge of a quarter of a hundredweight.

82. *Mr. Reid.*] Corrugated iron for the Lunatic Asylum?—As regards this item there must be some mistake; no voucher for the supply of 26 sheets of iron to the asylum during February can be discovered in either the Public Works Department or the Lunacy Department, but a voucher for the supply of twenty-four sheets of iron to the Porirua Asylum on the 18th of February is produced: the weight almost exactly accords with the weight that Jenkins says this iron really weighed.

83. Is that 4cwt. 1qr. 26lb.?—No; that is the weight that appears to be incorrect in Briscoe's journal. The voucher for the Porirua Asylum agrees almost exactly, within 6lb., with the weight which Jenkins says is the true weight.

84. Are there any requisitions?—I do not think they have any system of requisitions in the asylum at all.

85. Sheet lead for the Featherston Courthouse: Public Works voucher 19: the entry is one piece milled lead, 12ft. by 4ft. 6in., charged as weighing 3cwt. 3qr. and paid for at that weight.

85A. Blacklead for the Ministerial residence?—Blacklead is certainly made up in different sizes, and we cannot tell whether this is an overcharge, as we do not know for certain what size packets were supplied; but if the contention was proved the overcharge was only 6d., and I did not hunt up that matter.

86. Sanitary piping for Workshops: Public Works voucher 66?—The entry appears as 20ft. solid drawn sanitary piping, 2in., 90ft. ditto 1½in., weight 2cwt. 3qr. 18lb.

87. That is, the two items?—Yes, at £1 8s., £4 1s. 6d., and paid for at that rate. We have made inquiry and found it was sanitary pipe, as distinct from ordinary pipe.

88. *Mr. Sherrett.*] How about the rate?—There is no rate in the contract schedule for this class of pipe; it is a matter for arrangement between the engineer and the contractor.

89. *Mr. Reid.*] Mount Cook store?—That was ordered by the Defence Department direct, one coil flax rope, ¾in., 29lb. at £2 12s. 11d., paid for at that rate, and I produce a note from the Defence Storekeeper showing he has had several coils of ¾in. rope weighed, and they ran 25lb. and 27lb. each. The weight is therefore approximately correct.

90. *Mr. Jenkins's* evidence was that it should be 19lbs.—He said he believed it should be that.

91. Next item is sanitary pipe for the Workshops.—Public works voucher 1445, 30ft. sanitary pipe, 2½in., charged 1cwt. 2qr. 22lb., but it is altered by the Engineer to 1cwt. 1qr. 6lb. Next entry 35ft. same, 1½in., charged 1cwt. 1qr., reduced by the Engineer to 2qr. 27lb., and the reduced weight paid for. There is another entry on the same voucher, one brace skylight adjuster (Preston's), charged originally 12s. 6d., reduced to 2s. 6d. Next, block tin for the Workshops: Public Works voucher 2080. Entry 43lb. block tin at £3 10s., £1 6s. 11d.; this was correct. *Mr. Jenkins* does not impugn the quantity in this case. There is another entry in this voucher against the contractors: thirty sheets of plain galvanised iron, 26 gauge, charged as weighing 2cwt. 2qr. 23lb., but ascertained to weigh 4cwt. and 2lb., and the charge amended from £4 6s. 7d. to £6 8s. 5d. I mention this as showing that the department does not always reduce vouchers if they find an error made by the contractors against themselves; they give them the benefit of it. Next item, Public Works voucher 514: Twenty sheets No. 10 zinc, charged 2cwt. 3qr. 20lb., and paid for at that weight. This weight is probably correct, or, if anything, rather under the mark. Plain galvanised iron, twenty sheets, 26 gauge, charged 2cwt. 3qr. 7lb., at £1 12s., and paid for so.

92. That completes the vouchers referred to by *Mr. Jenkins*?—Yes; but there have been a great many inaccuracies in rendering accounts besides those referred to.

93. Are there other vouchers?—Yes, a number.

94. You have heard *Mr. Jenkins's* evidence as to calling on you, and you corroborate his statements on that point generally?—His first interview was with the Chief Clerk, while I was away; when I came back I saw him myself. I sent for him to know whether, if we took action in this matter, he would be willing to give evidence, because I understood his first communication was strictly confidential.

95. Did he give any particulars?—Yes; he described the process gone through in Briscoe's warehouse. He told me he got a correct note of the weights of goods, and had to pass this note on to *Mr. Bridson*, who erased the correct weight and inserted another weight which was always higher, and instructed him to book the higher one.

96. *Mr. Montgomery.*] Who would do that?—*Mr. Bridson*. He put the true weights on a slip of paper and *Mr. Bridson* instructed him as I have said.

97. *Mr. Reid.*] Can you tell me the date?—12th July. I wrote to *Jenkins* on the 9th July, that I would be glad if he would kindly call on me. I received a reply on the 11th, and he called on the 12th.

98. In consequence of his statement, did you take any action in reference to this contract?—Yes; in consequence of *Jenkins's* statement to the Chief Clerk, inquiries were made to ascertain whether the incorrect charges had been made, and it was found that they had been made; but scarcely any accounts were paid then, and the bulk of the overcharges would have been detected in the ordinary way.

99. I want to know what action you took in the matter?—Other than that?

100. Yes. I want to know what action you took in consequence of that?—The action was taken before I returned to Wellington, by the Chief Clerk, on my behalf.

101. I want to know what was your action; did you give any instructions?—The inquiry had been made.

102. I asked you, in consequence of your interview with *Jenkins*, did you take any action?—I did. I conferred with the Crown Law Officers as to the action which should be taken.

103. Was your action stayed by anything that occurred; and, if so, what?—Yes; by my being informed that the matter was referred to this Committee.

104. Did you see *Mr. R. G. Knight* with reference to the supply of tents?—Yes; he called on me about the matter.

105. Do you remember the date when he called?—In April last. [Report of Department referred to.]

106. Did he make any statement to you in reference to the subject-matter of the contract?—He did.

107. In consequence of that did you take any action?—I did.

108. What action? Was anything communicated to the contractors in consequence of that action?—No; not to the contractors.

109. It was merely departmental action?—Yes.

110. *Mr. Montgomery.*] How many instances of incorrect charges are you aware of, we will say, besides the ones you have mentioned?—Personally, very few; I understand, from conversation with the Chief Clerk in the office, there are a good many. I cannot give evidence at first hand.

111. When you drew up the report, then, it was based a good deal on evidence that will be called?—Yes; the bulk of that is not my own evidence; but, as head of the department, I collected the evidence together for the Committee.

112. It is based partly on Jenkins's evidence and partly on evidence which will be before us?—Yes.

113. As to Jenkins's evidence, it was found it was in every instance borne out by the facts?—Jenkins said the goods were high-charged at weighing time, and that they actually weighed so much less. We had similar goods weighed, and I was informed they did weigh less at the time; but I am since informed that some of these weights are incorrect.

114. This report does not quite tally with your evidence?—Not quite.

115. This was a general report, and you have had more information since?—Yes.

116. *Mr. Tanner.*] You said in your evidence that Jenkins informed you that slips were handed to him with these weights put in, and that then another weight was inserted instead?—He first jotted them down on a slip of paper, and handed it to Bridson, who instructed him how to charge.

117. Did Jenkins show you these alterations?—No.

118. Did he produce them to you?—Not to me, but to the Chief Clerk.

119. Had you any knowledge of these slips being in existence?—No.

120. Can you tell me the proportion of error—that is, the value, as far as you have ascertained?—The proportion is simply this: The contract is of great magnitude; I think I said it was worth £6,000 a year, but that is too low an estimate.

121. But that contract had been in existence for only about three months?—It was signed on the 6th February.

122. And we are inquiring up to the end of May?—Yes. At £500 a month it would be equal to about £1,500, or £2,000, in that time.

123. You do not know the amount of overcharges?—No, but I should say about £25.

124. How much undercharges?—About £3.

125. *Mr. Lang.*] What is the difference in price between sanitary and common lead pipe; is it not one and the same thing?—No; common lead pipe is imported in coils; sanitary pipe in straight pieces, and consequently is much more expensive to land here, and a higher price is paid for it.

126. *Mr. McGowan.*] Would you please say how many contracts you have had experience with?—Many hundreds in the Public Works Department.

127. I mean contracts in this particular branch—stores?—Perhaps about a dozen.

128. I presume it has been your experience with them all that there have been discrepancies?—Yes.

129. Have the discrepancies since the time of Briscoe, MacNeil, and Co.'s contract been, in your opinion, larger than in previous ones?—I think they have, with the exception, perhaps, of Stewart and Co. I think they would take the palm.

130. *Mr. Guinness.*] I want you to look at voucher No. 7038, item sheet-lead, charged 1cwt. and 14lb. I think Mr. Jenkins gave evidence that was charged 1cwt. 1qr. ?—He said it appeared as 1cwt. 2qr. 14lb.

131. Did you notice that voucher, as making the correct charge of 1cwt. and 14lb., which you say is correct, and which Mr. Jenkins said should be the amount properly chargeable: did you notice that it is in his own handwriting?—Yes.

132. Is there any correction in that voucher?—No, the error must have been discovered before the account was sent in. I thought at first it had been seen to be incorrect, and sent back by our clerk for corrections, but on inquiry I find he has no knowledge of it.

133. Is that the only voucher sent in, as far as you know, in reference to that item?—Yes, so far as I know.

134. *Mr. Montgomery.*] It is contended in several cases that the entries and vouchers do not correspond. The vouchers were correct in several cases, you say?—I think I only said one.

135. You mentioned a man called R. G. Knight. In consequence of the complaint he made to you, did you have any communication with the firm of Briscoe, MacNeil, and Co., or their employés?—The complaint was made to me in reference to the supply of tents to another department, and I merely communicated with that department.

JOHN ALEXANDER WILSON sworn and examined.

136. *Mr. Reid.*] You are Resident Engineer for Wellington, and also Engineer in charge of this contract?—Yes.

137. Are you aware of the procedure for checking accounts of stores delivered?—Yes, I know

138. Please tell the Committee the procedure for the examination and delivery of articles.—The method adopted is that an inspector or head man or some trustworthy person receives them at the works.

139. That is, on delivery on the works?—Yes.

140. And in Wellington?—Yes; in Wellington he receives the stores, as they are required for repairs or construction of buildings in Wellington, on the works. He inspects them, or takes tally, or measures them, according to the class of goods.

141. Does he give a receipt?—Yes; I will explain that later on. He examines the stores as to quality, and, if satisfied that the order has been fulfilled satisfactorily, he signs the receipt presented by Briscoe's, or whoever the contractor may be. It is the rule to have material supplied by weight tested.

142. Have you anything to do with certifying to these accounts?—Yes, I certify to them; but before they reach me they have to go through the office and be checked by a clerk whose duty it is, and the receipt which the contractors obtain is forwarded with the account to the office, and is used by the clerk to satisfy himself that the delivery has been made.

143. Who is the officer in your department who checks these accounts?—Mr. Biddell, he checks the account thoroughly as to arithmetic and as to rates, and I look to him to say that the weights appear properly on the face of the accounts.

144. After he has examined them, does he hand the accounts to you?—Yes.

145. Do you certify on his examination, or do the accounts undergo a further examination by you?—As I am responsible, it is my business to see they are correct. In the case of any articles of an unusual character, or if the means of checking does not appear clear on the face of it, I should have a further investigation of such vouchers made.

146. Is there any difference between the receipts given for goods obtained for the stores at Workshops, or, say, at Porirua Asylum?—There is no difference in the receipts given.

147. Is there any difference in the system of checking?—No.

148. Have you had under your notice the accounts delivered from time to time by Briscoe, MacNeil, and Co., in this present contract?—Yes.

149. Are you aware they had a contract with the Government previously?—Yes, last year.

150. Do you produce any vouchers showing corrections in the accounts delivered to the Government by Briscoe, MacNeil, and Co.?—Yes; I produce a number of vouchers.

151. What period do they cover?—The period from the commencement of the contract, the 6th February, I think.

152. Speaking generally, were these vouchers the subject of large corrections, or otherwise?—There was a good deal of correction required, but not more than we have had in the case of other contractors.

153. What is the first voucher you produce?—No. 2166, fifteen books of gold-leaf supplied for alterations at the departmental buildings and charged at 1s. 6d., reduced to 1s. 4½d.; total reduction, £1 2s. 6d. to £1 0s. 7d. The next item is, Alterations to Departmental Buildings, Wellington; voucher 2162, twenty sheets plain galvanised iron, charged as 2cwt. 2qr. 3lb., and altered to 2cwt. 2qr. 20lb.; total alteration, £9 4s. 11d. to £9 9s. 9d. Next item, No. 1447, charged in connection with the Lunatic Asylum general repairs, twelve squares plate-glass, charged at £1 per square, and reduced to 2s. 6d., per square foot; total reduction, £3. Next item, voucher No. 1472, 14th March, Departmental Buildings repairs: 56lb. yellow ochre, dry, charged £1 per hundred-weight, and reduced to 1½d. per pound; total reduction, 3s. This is No. 131 on the contract schedule. Next, No. 2208, 23rd March, five squares 26oz. glass, charged at 10s. per square and reduced to 7½d. per foot; original amount, £2 10s.; reduced to £1 4s. 2d. Next, No. 2204, 26th March, 100ft. gold picture-wire, supplied to Ministerial residences; reduction, 2s. 6d. to 2s. Next item, voucher No. 2168, 5th April, four hanks No. 8 sash-cord, reduced from 30lb. to 9lb., at 1s. 6d. per pound; total reduction, £1 11s. 6d. Next, No. 1433, 26th April, two patent bib-taps, reduced from 5s. 6d. to 2s. 6d. Item No. 2172, 19th April, three dozen drawer-knobs, imitation mahogany, reduced from 15s. per dozen to 1s. 3d. per dozen; gross reduction, £2 1s. 3d.

154. *Mr. T. Mackenzie.*] Whose handwriting is that in?

Mr. Reid: Jenkins's.

155. *Mr. Wilson:* Item No. 1466, 11th May, twenty-four opal glass globes, charged 2s., reduced to 10d. each; total reduction, £1 8s. Item 1459, one square of glass reduced from 15ft. to 13ft.; reduction, 3d. Voucher No. 1467, twelve brass unions reduced from 9d. each to 5d. each; total reduction, 4s. Item 1438, 20th May, 10lb. caustic soda, charged 6d. reduced to 3d.; total reduction, 2s. 6d. on 5s. Item 1441, 21st May, three bolts and nuts, 17½in. by ½in., 12lb., charged at 6d. per pound; altered to 15s. per hundredweight; reduced from 6s. to 1s. 8d. Item 4, enamelled toilet basins, reduced from 7s. 6d. to 3s.; total reduction, from £1 10s. to 12s. Item 1442, three bolts No. 3 scrim, 150yds., charged at 5d.; reduced to 3½d., or from £3 2s. 6d. to £2 3s. 9d.; total reduction, 18s. 9d. Item 2201, 30th May, four Hobbs's two-key drawer locks, at 5s., reduced to 2s. 6d. each; total reduction, 10s. Item 1429, 25th May, 100ft. gold picture-wire, reduced from 17s. 6d. to 2s.; total reduction, 15s. 6d. Item 1720, 4th June, 100ft. gold cord, 17s. 6d., reduced to 2s.; total reduction, 15s. 6d. Item 1440, 4th June, fifteen squares plate-glass, 110ft., reduced from 8s. per square to 6d. per foot, or from £6 to £2 15s.; total reduction, £3 5s. Item 1450, 11th June, reep-hooks, charged at 9s., reduced to 2s. 6d.; total reduction, 6s. 6d. Item, 2200, 20th June, 115ft. indiarubber hose, charged £2 19s.; reduced to £2 3s. 1d.; total reduction, 15s. 11d. Item 2119, tacks, charged at 2¼d., reduced to 2d. per thousand; reduction from 5s. 8d. to 5s.; total reduction, 8d.

FRIDAY, 30TH AUGUST, 1895.—(A. SAUNDERS, Chairman.)

Mr. RICHARD HUDSON sworn and examined.

1. *Mr. Skerrett.*] You are a member of the firm of Hudson and Co., Dunedin?—I am sole partner.

2. Some years ago did you employ Jenkins?—Yes.
3. How long was he in your employment?—I should say about a year.
4. Do you know his christian name?—No; I do not remember.
5. During the period he was in your employment did you discover him to be guilty of acts of dishonesty?—Yes.
6. Consisting of the misappropriation of money belonging to you?—I did not discover it; it was my manager who discovered it. I spoke to Jenkins about it, and he admitted it to me. I spoke to him after the affair had gone on.
7. Was this by false entries in the books?—The figures had been altered, and the amount carried over from one page to the other in the cash-book. The figures had, as I have said, been altered and the amount taken from the cash.
8. Did you forgive him?—We went into matters; we put him into another position, where he would not have the opportunity of taking money.
9. After that did you find his conduct satisfactory?—No; not reliable.
10. And you dismissed him from your employment?—Yes.
11. *Mr. Menteath.*] Was he in your debt?—No; I think not. I do not think so.
12. *Mr. T. Mackenzie.*] What was the amount?—I looked into the book before I came away. There were two items that were re-entered in his handwriting—£15.
13. *Mr. Menteath.*] You got the money?—I believe we did; at the time I was not managing that part of my business.
14. *Mr. McGowan.*] What explanation do you give for retaining a man in your service who had embezzled £15?—I knew his wife and family; I did not want to see the young man down. I would rather assist a young man to regain his position for the sake of his wife and family than see him run down so that he would lose all chance of regaining his former position. That was it; it was out of consideration for himself and family. I have done so on more than this occasion.
15. Did you write this amount off in your books?—I had nothing to do with books or cash; it was in the hands of my manager. I believe that the money was paid back by him some time afterwards.

Mr. THOMAS BROWN sworn and examined.

16. *Mr. Skerrett.*] You are a member of the firm of Brown, Ewing, and Co., Dunedin?—I constitute the firm now. I am sole partner.
17. Do you know James Hendry Jenkins?—Yes.
18. He was in your employment as accountant and book-keeper, I believe?—Yes.
19. How long?—Proximately, about two years.
20. During that time did you discover that he had committed acts of dishonesty?—Not while he was with me, but I afterwards found that he had put his own cheque in the cash-book and dealt with the corresponding amount.
21. Did you dismiss him from the employment which he had in your firm?—Yes.
22. After that dismissal, then, you caused to be made an investigation of the firm's books?—Yes.
23. And you found from that investigation that he had been guilty of dishonesty?—Yes.
24. What was the amount of the deficiency?—Something over £100.
25. Were the deficiencies caused by a falsification of the books?—Yes. Perhaps, you would allow me to explain what I mean by "falsification of the books." We had branches of our business in Invercargill and Christchurch, into which, and from which, moneys were paid and withdrawn. Periodically, I wrote cheques for these amounts. We found that he had used moneys which were debited to the Christchurch branch for his own purposes.
26. *Mr. Menteath.*] You gave him a testimonial?—Yes.
27. In which you spoke of his services in high terms?—Yes.
28. Everything that was due to you was subsequently paid?—Yes.
29. *Mr. Skerrett.*] You gave the testimonial before you discovered the acts to which you refer?—Yes; and I warned other employers.
30. But the testimonial was given first—before you discovered the dishonesty?—Yes; that was why I warned the other employers.
31. Did you apply to Jenkins for a return of the testimonials?—I did.
32. Were they returned?—No; he sold some property he had and returned the money.

THURSDAY, 5TH SEPTEMBER, 1895.—(Mr. A. SAUNDERS, Chairman.)

Mr. J. A. WILSON sworn and examined.

1. *Mr. Reid.*] Do you produce the samples of the orders and receipts for the store?—Yes.
2. Orders and receipts for stores as delivered?—Yes.
3. Have you a sample of the requisition, delivery orders, and vouchers attached?—I have a sample of the voucher, the requisition or order, which is the same thing, and the receipt attached.
4. The order or requisition, the voucher and receipt?—Yes.
5. Would you attach them in their order of sequence?—Yes. [Produced].
6. State what the service is for in each case?—I produce an order for galvanised corrugated iron, a receipt for the same, and voucher of the 28th November, 1894.
7. That was before the contract was started?—Yes.
8. Give us one under this contract, which was not started until February?—I produce order, receipt, and voucher for twenty-two sheets of plain galvanised iron; the date of the order is 20th of March, 1895.

9. Has that been put in before?—No.
10. Will you state the service?—A large number of items are included.
11. Is there any item amongst them that has been corrected?—No item was corrected on this occasion; the item is, as I have said, for twenty-two sheets of plain galvanised iron.
12. Have you any vouchers there—corrected vouchers?—I have no other corrected vouchers with me beyond those already given in.
13. Do you produce a circular to the storekeepers and others, issued by the Public Works Department?—Yes, I produce a printed circular, and dated the 25th June, 1894. [Circular put in and read.]
14. Since the commencement of this contract, and before this inquiry was instituted, have you issued any further circular covering the same subject-matter?—Yes, a circular of the 8th August, on the subject of checking stores delivered. [Circular put in and read.]
15. Can you say whether these instructions have been carried out by the officers of the department so far as you are aware?—They have been carried out so far as I am aware.
16. Do you know the amount of Briscoe and MacNeil's contract per annum? What does it run to, in your opinion?—About £6,000 a year.
17. Do you produce vouchers showing the amount checked, or can you state the amount of over-payment made?—£4.
18. In what period?—Four months.
19. Do you consider the system of checking vouchers adopted by the department sufficient?—Yes.
20. Do you produce any list of the corrected weights?—Yes; I produce a list of the corrected weights in Briscoe and MacNeil's contract.
21. Have you seen another list that was produced here in evidence?—I have not seen any other list.
22. How has that list been prepared, can you state?—This list was prepared in my office upon my instructions.
23. By whom?—By the clerk who checks the vouchers; it was also subjected to an independent check.
24. Who is the clerk for checking vouchers?—M. Biddell.
25. Does that show the total of the over-payments?—Yes. The over-payment was £5 17s. 1d. and the under-charges £2 6s.
26. Does that represent the most recent investigation?—Yes, I made a previous statement; I think that is very likely the statement before the Committee: with fuller information I find it was not quite perfect: it was imperfect in one or two particulars. According to this corrected statement the previous statement is not exactly right, the total is a little less than it was previously.
27. That represents the amount of over-payment and the discrepancies in the contract?—Yes.
28. We now come to composition pipe: what is the difference between sanitary pipe and ordinary lead pipe?—The difference between sanitary pipe and ordinary lead pipe is that sanitary pipe is imported in straight lengths; it is a thinner pipe and a more expensive pipe.
29. Is sanitary pipe covered by the description of pipe "of all sizes" in the schedule?—No.
30. Cross-examined by *Mr. Skerrett*.] I think you have said in your evidence that the vouchers returned or corrected in Briscoe and MacNeil's contract were no more in number or weight or amount than was the case with other previous contractors?—Yes.
31. You produced a series of vouchers in which the Public Works Department had made alterations totalling £17 roughly?—Yes.
32. None of these alterations, I think, were alterations in which weight had been excessively charged?—One was an error in weight, I think.
33. It amounted to about 3d.; that is voucher 1459?—It was a square of glass of 15ft. reduced to 13ft., and the amount of the alteration was 3d.
34. If there was an actual error of weight it was very small?—It was very small; I cannot say there was any error in weight.
35. Then, according to your knowledge, there was only one error in measurement and no error in weight, according to voucher 1459?—That is correct.
36. An error of 2ft. in measurement and an overcharge of 3d.?—Yes.
37. Were not all these errors or alterations made in vouchers mere errors arising out of some peculiarity of method, or a mistake in the mode of rating value at which the articles were to be charged: as for example, glass being charged at per sheet instead of per foot, or errors caused by the article being under a wrong heading in the schedule, and so on?—No. I see here a charge for four hanks of sash-cord: it is charged at 30lb., and reduced to 9lb.
38. But, with that exception, is it not true?—Yes.
39. Are not the errors corrected errors which you would probably find in any vouchers sent in by any firm in respect of goods of this nature?—There is nothing exceptional about these errors.
40. Nothing to suggest fraud?—No.
41. I am speaking generally of the practice of the department at the time these vouchers were sent in. Was it the practice to check them by weight, measurement, or calculation as to value?—Yes. According to the nature of the goods.
42. Goods such as sheet lead would give measurements that could always be checked by the examining officer?—Yes.
43. I have concluded my questions as to the general practice of the department. I would now ask you whether there has not been a complete investigation of all vouchers rendered to the Public Works Department from the beginning of January to the end of July?—Yes.
44. In your opinion, has that examination been a thoroughly effective one?—Yes.
45. Can you say whether or not that examination would disclose all the errors in the vouchers of Briscoe, MacNeil, and Co.?—I believe it would.

46. During four months you tell us that the overcharge paid to Briscoe, MacNeil, and Co. amounted to £4, after giving credit for under-charges?—Yes.

47. Disputes always arise between contractors, engineers, and public officers upon the proper mode of charging particular items?—Well, the schedule is a comprehensive one; there is very little reason for a dispute in a contract of this nature.

48. I ask you whether the schedule is not only a comprehensive one, but also a complicated one?—I do not think it is complicated.

49. Take the reductions that have been made; take No. 2166, which is one you mentioned first: "Gold-leaf charged at 1s. 6d., reduced to 1s. 4½d.": looking at that, would you say whether the clerk has not made it out at the Christchurch instead of the Wellington rate?—I do not think there is any error there.

50. What is the number of the item?—No. 78.

51. What is the Christchurch rate?—1s. 5d. I do not think there is any error there.

52. If transferred?—It makes no difference whether transferred or not.

53. Then, voucher 2162; that was an under-charge?—That was an under-charge in weight.

54. No. 1447 was the case in which glass was charged at per sheet instead of per foot?—Yes.

55. Then, there is 1472, in which yellow ochre was charged as not being in the schedule?—It is charged at 20s. per cwt., it should be a ½d. per pound in the schedule.

56. Now point out 131?—Oxford ochre or yellow ochre.

57. Then 2208: is that where the glass is charged at per sheet instead of per foot?—Yes.

58. No. 2204 is picture wire?—Yes.

59. 1433?—That is reduced to scheduled rate, from 5s. 6d. to 2s. 6d.

60. Do you know that a different schedule was supplied to the previous contractor?—I do not know that.

61. Do you know that Briscoe and MacNeil went round the trade, and that Mills and Co. found out what they were supplying at?—I could not tell what they did.

62. 2172 is a mistake of charging a dozen as a gross?—Yes, apparently that is so.

63. 1446, that is a reduction of 1s. 2d.?—Opal glass globes charged at 2s. each reduced to 10d. each.

64. 1467, twelve brass unions: under what item in the schedule does that come?—Hose unions?

65. These were gas unions, not hose unions?—There is nothing on the voucher to show that; they appear to come under 488.

66. Now, suppose they are brass gas unions, what item would they come under?—I do not see anything they would come under except 488.

67. Would not the size indicate that they were brass gas unions?—They seem rather small for water.

68. I wish to show that these are ordinary errors. Then, there is 1438, 10lb. of caustic soda: is it not a fact that, at the request of the department, this caustic soda was put up in 10lb. tins?—I am not aware of it.

69. 1441, a reduction of 1s. 8d. on bolts: I ask you whether square-headed bolts are within the contract—17½in. by ½in.?—I have always looked upon them as being within the contract.

70. They are not specified in the contract; there is no mention of "square-headed" bolts: these have to be specially made, have they not? It seems to me rather absurd to drag them into the schedule. At any rate, it is open to argument that these were not in the contract?—Yes, it is open to argument.

71. Now then, 1690, enamel toilet basins at 7s. 6d.: do you know whether these were wrought-iron or cast-iron?—

Mr. Blow.] The item in the schedule is 42?—That is what the schedule states.

72. *Mr. Skerrett.*] Suppose they were enamel wrought-iron wash-basins, would they be in the schedule?—They would not be in the schedule.

73. Then 1442: That alteration was caused partly by a reduction in the quantity ordered, was it not?—The alteration here is an alteration in rate: three bolts of No. 3 scrim, 150yds.; that was an alteration in rate.

74. Scrim is of different qualities, according to number?—Yes, it is numbered.

75. Do you know that a special quality was asked and arranged for at the time of delivery?—I do not think that Mr. Smith would arrange for a special price for an item that was in the contract.

76. *Mr. G. Hutchison.*] Who is Mr. Smith?—He is an Inspector of Works.

77. 2201: Hobb's drawer-locks, reduced from 5s. to 2s. 6d.; where are they in the contract?—No. 582 in the schedule.

78. Do you know that a desk-lock is a different thing from a drawer-lock?—There may be a difference, but I do not suppose that would affect the value.

79. What I wanted to know was, whether there was some reason for its not being in the schedule. Now, as to the picture-wire, which is reduced to half-a-crown, do you know that that was required to be of a special quality and a special size, for the purpose of hanging some heavy pictures in these buildings?—Yes; I know that now.

80. Do you know that there was a special price to be given for it?—I do not know that.

81. Do you know that Mr. Bridson went to Denton's and bought this special kind, and paid a special price for it?—No; I do not know that. I could not tell you what he gave for it; it is the schedule I am going by.

82. Then, you do not know that this was of a special kind, of a special price, of a special quality, and a special size?—That is not unreasonable; and if these things had been indicated in the voucher it would have saved correction. If it had been shown on the voucher no correction would probably have been required.

83. I want to point out to you that these discrepancies are free from any suggestion of fraud. It was fluted glass that was charged at per sheet instead of per foot?—Yes.
84. "1450": That was a reduction on reap-hooks?—Yes.
85. "2210": That was a reduction on hose?—Yes.
86. "2199": Tin tacks; a reduction on that?—Yes.
87. What number does that come under in the schedule?—Item 836.
88. You do not think it comes under 642?—I do not think so.
89. That is the last item I will take you to; I now ask you whether there is any room for the suggestion that these are fraudulent overcharges?—No.
90. *Mr. Menteath.*] These are vouchers that are produced by you, Mr. Wilson?—Yes.
91. How is it that certain items are produced by you and certain others by Mr. Blow: do they not all pass through your hands?—The whole of the Public Works vouchers do not pass through my hands.
92. Are you acquainted with the vouchers produced by Mr. Blow?—Yes.
93. Are these vouchers you have been speaking to checked by you?—Most of them.
94. Why is there a distinction between those which came into Mr. Blow's possession and those which came through you?—They came conveniently into Mr. Blow's evidence; he was discussing the evidence given by Jenkins.
95. The vouchers produced by Mr. Blow containing errors cover the same ground, do they not?—Yes.
96. Then the vouchers produced here are culled of the general course of transactions simply because taken from the remainder in which mistakes occur?—Yes, they bear corrections.
97. Do you know whether these vouchers have been completely checked—in your opinion?—They have been completely checked, in my opinion.
98. Are you aware of the reason why cement has been purchased from Briscoe and MacNeil?—No.
99. Are you aware of the price of cement according to the schedule?—They are not the contractors for it.
100. Will you say what is the schedule price of cement?
Mr. Skerrett objected to the question as being irrelevant, because cement was not in the contract.
Mr. Reid objected to the question, as relating to a matter outside the contract.
The Committee deliberated.
The Chairman announced that the decision was that the questions must be confined to matters in the contract.
101. *Mr. Menteath.*] Look at Exhibit 23: there appears there an item, "26 sheets of galvanised corrugated iron, 8ft., and 26 gauge, 385"; that is struck out?—Yes.
102. 4cwt. and 20lbs.?—This is not in the Public Works Department; it is certified by Dr. Fooks.
103. Then, what department is it in?—The Lunacy Department.
104. It is charged as £4 15s. 10d.
105. Look now and see what the weight is of apparently the same item further on: the weight is put in as 5cwt. and 20lbs.; do you know how that works out?—It does not work out correctly.
106. Yet it is allowed to pass at £4 15s. 10d.?—It seems so; the two items are on different dates; they are not the same item evidently; one was sold on the 27th February, and the other on the 14th March. The weight is not correct apparently.
107. What is the difference?—9ft.; the weight is 4cwt. and 20lbs.
108. That strikes you on the face of it as incorrect; and yet you say that item was fully checked?—This is not in the Public Works Department at all. I do not take any responsibility in connection with it.
109. Does it not show that there may be still errors in this contract which have not been detected?—Not so far as the Public Works Department is concerned.
110. But generally, as far as the vouchers under this contract are concerned, does it not show that some of these vouchers have not been corrected?—It is not in the Works Department; it belongs to the Lunacy Department.
111. *Mr. Blow.*] What is the voucher?—4105; the item is uncorrected.
112. *Mr. Menteath.*] The amount expressed in the voucher has been paid?—Yes, it has been paid; I think it has been produced in the information given to the Committee by Mr. Blow.
113. There are two vouchers, are there not—one correct and the other not correct?—One has been crossed out altogether; the other has not been corrected.
114. Is galvanised corrugated iron included in the contract?—No.
- 114A. Have you formed any estimate of the total value of the overcharges ascertained to date; not those on paid vouchers alone, but those on paid and those on corrected vouchers?—Approximately I should say about £25.
115. You have not worked it out?—No.
116. *Mr. Skerrett:* That includes every overcharge?—Yes, I think so.
117. *Mr. Menteath.*] You could not say that as sworn evidence?—No.
118. Will you look to voucher for jumpers and cleaners, charged at 352lb., or, rather, it was originally charged at 352lb.; to whom were they supplied?—To the Survey Department; I am not conversant with the Survey Department vouchers.
119. *Mr. Reid.*] You stated, with reference to the voucher produced by you, that the error in weight there was only one partially?—Yes.
120. Will you look to the statement produced by you to-day, and say how many errors of weight appear in that statement?—Twenty-one overcharges and two under-charges.

121. You said at first there were twenty-four errors?—Approximately.
122. And how many under-charges?—Two under-charges.
123. Then, in the face of all these overcharges you say that upon an investigation extending over accounts sent in for six months you only show an over-payment of £4; what do you attribute that to?—To the way in which the vouchers were checked.
124. The other vouchers have not been paid?—Some of them have not been paid.
125. You were asked some questions as to the scrim; will you look at the schedule and see if there are any prices specified?—I think that the contract specifies that the best article of its kind is to be supplied; the general conditions provide that the goods to be supplied shall be the best of their respective class, and, where samples are shown, the goods supplied shall be in accordance therewith. [Conditions read.]
126. *Mr. G. Hutchison.*] Is this list prepared by you?—It was prepared in my office.
127. Why do you start with the 1st January?—It was unnecessary to go back to January, but the accounts were checked as far back as January; everything that occurred since January is shown in the statement.
128. Do you know when the contract commenced?—On the 6th of February.
129. Then there cannot be any inquiry into supplies delivered before the 6th of February?—No.
130. Then, why not put them in from the 6th of February; would it not be better to correct that?—It can easily be shown on what dates the goods are supplied.
131. Can you state when the first goods were supplied under this contract that you have vouchers for before you to be checked, and what was the date of the supply?—I could not say the date; it would be a day or two after the 6th of February.
132. This is a reference to a period from the 6th of February to the 30th April?—The list was made up when we discovered that we had been receiving false weights. All the vouchers in hand at that time were to the 30th April.
133. When was this made up?—In May.
134. Or the month following?—During May.
135. Have you made up a similar statement for the period after May?—No.
136. I understood you to say you had gone through all the vouchers in the department under this contract?—The whole of the vouchers in the department have been checked, and there are no other errors to appear in such a statement.
137. This is a statement of irregularities. It would follow, from what you state, that no irregularities were discovered after the 30th April?—They were discovered and checked in the ordinary way.
138. Have they all been discovered and checked?—Some of them have not. There is one sheet there that has been passed.
139. Do you say that that statement comprises vouchers which were corrected, and also some which were not corrected?—Some which were corrected, and some which were not corrected.
140. Will you indicate which were not corrected?—The first sheet.
141. The first sheet contains the vouchers that were not corrected?—Yes.
142. That amounts apparently to £5 17s. 1d.—Yes.
143. The next sheet refers to overcharges, which were detected and corrected?—Yes; £12 17s. 6d.
144. And the third sheet refers to the short or under-charges?—Yes, £2 6s. 9d.
145. Then, you say, as far as you know, there has been no irregularity since the 30th April?—I believe there has been no irregularity since the 30th April.
146. You have discovered none?—No.
147. Is your evidence confined to the Public Works Department?—Yes.
148. Have we now all the Public Works vouchers from the beginning up to the present time?—Not the whole of the Public Works—
149. What is that bundle of vouchers in your hands which you are putting in?—These are samples of vouchers that had been corrected from time to time.
150. *Mr. Reid:* Would the honourable member ask the witness to explain his answer?
- Witness:* These are vouchers which show the corrections and have passed through my office.
151. *Mr. Hutchison.*] Between the 6th February and the 30th April?—Yes, between that period and beyond it.
152. Corrections during that period and beyond it?—Yes.
153. Are they not supplementary to these?—They are ordinary corrections.
154. Are they supplementary to these?—In addition—Yes. I did not intend to give evidence that there were no corrections since that date.
155. Have there been?—Certainly.
156. Could you make out a list of them?—Yes.
157. The irregular charge was a charge which must be either written down or written up; but there has been a list to be carried on since the 30th April?—Yes.
158. Do I understand you to say that the former contractor had fallen into the same errors as indicated here?—They have fallen into the ordinary errors of the kind. In the same way as Briscoe and MacNeil's, the vouchers of previous contractors had to be altered considerably on occasions. If that is to be read from the 6th February, the top items should be crossed out.
159. Was it a different contractor when those were supplied?—No; Briscoe, MacNeil, and Co. were the previous contractors.
160. At the same rates?—No.
161. I want you to be able to say if, in a similar period of three months or four months, as would be indicated by your statement, any former contractor has made anything like the same

number of mistakes, involving the same discrepancies in weight and amount?—I could give evidence on that point.

Mr. Reid : I understood it was so ; but a statement will be produced up to date.

CAPTAIN TURNER sworn and examined.

162. *Mr. Reid.*] What is your name?—Archibald Campbell Turner.

163. What position do you hold in the public service?—I am road surveyor in Wellington Provincial District.

164. Had you occasion to examine the quality of tents supplied by Messrs. Briscoe, MacNeil, and Co.?—I had.

165. Where were you when the first lot of tents came to you?—At Akitio Camp, near Weber.

166. When was that?—It was the 7th or 8th of April last. These tents were sent up from Wellington to meet the men who had been sent up from the Bureau ; they arrived the same day with the men. They were pitched on the 7th, and on the 8th I found they were of inferior quality. When I came to Wellington I told Mr. Ibbetson, and instructed him to inquire into it. One tent was sent back from the overseer, as instructed, to compare with the sample tent ; when compared it was found to be of inferior quality, and I refused to certify for them.

167. Do you produce the voucher for these particular tents?—Yes.

168. Will you state the date and the number?—[Voucher read and put in.]

169. Take the first item on the voucher—15 tents 8ft. x 10ft. charged at 25s. Is there anything wrong in that?—All these tents are of inferior quality ; the voucher, I think, would be correct if the tents had been of the proper quality.

170. You object to the quality, and not to the charge, in that instance?—Yes.

171. Is there an instance where you object to the charge?—Not in this voucher ; if they had reduced the charge I might have passed the voucher.

172. What is your opinion as to the value of these tents?—In my letter to the Surveyor-General I said what the value was. For the first item charged, tents at 25s., I put down 18s. ; for the flies, 12ft. by 14ft., charged at 15s., I put down 10s. ; for the tents, 10ft. by 12ft., charged at 32s. 6d., I put it down at 24s. ; and for 14ft. by 16ft. flies, charged at 20s., I put down at 14s. 6d.

173. What is the total amount of the account?—£40 3s. 11d.

174. That account is still unpaid?—Yes ; it is still unpaid.

175. Do you know anything about pit-saws that were supplied?—Yes.

176. Are they in the schedule?—I think not.

177. What is your objection to this charge?—The charge made for these saws seemed to me excessive ; I got Mr. Ibbetson to inquire whether the charge was not excessive.

178. You refused to certify for it?—Yes ; and I sent in a memorandum to the department.

179. What is the charge?—Two S. and J. pit-saws, 36s. 6d.

180. Is that the price of each, or both together?—For each ; the amount for both is £3 13s.

181. Then, there are two 8-ft., at 45s. each?—Yes ; the amount is £4 10s.

182. Had you any means of ascertaining this overcharge?—I instructed Mr. Ibbetson to make inquiry, and he said they could be had for 23s. [Memorandum read.]

183. Cross-examined by *Mr. Skerrett.*] Pit-saws are not in the contract?—I could not find them in the schedule.

184. Do you know that Messrs. E. W. Mills were also contractors?—Yes.

185. Do you know that it is common enough for merchants and their travellers to quote prices particularly low, when they are required merely for the purpose of comparison with those of another firm?—I do not know the rules of the trade at all.

186. *Mr. G. Hutchison.*] As regards these tents, they should have been according to sample?—Yes.

187. If you had seen them before they were used by the men would you have rejected them?—Yes ; but I was in a fix. It was simply this : the men were on the ground and nothing to cover them.

188. But they were not according to sample?—No ; there are other things that Mr. Ibbetson will be able to give evidence about.

GEORGE RICHARD HARBORD IBBETSON sworn and examined.

189. *Mr. Reid.*] What are you?—I am a draftsman in the Survey Department—Road Branch.

190. What are your duties in reference to vouchers passing through the office on account of supplies?—The clerk first gets the voucher, then he goes through the schedule and checks the voucher with the weights and quantities, so as to see that everything going through the office is right. He calls my attention to anything wrong.

191. You have to check the vouchers?—Yes.

192. Are these your figures on the vouchers produced?—These are not mine.

193. Have you a voucher of the 3rd April (41) charged " Jumpers, 352lb "?—Yes.

194. Did you check that voucher?—Yes, I checked that voucher.

195. What is the number?—41 : 3 jumpers, 1in. diameter, 9ft. long ; 8 cleaners, 10ft. by $\frac{3}{4}$ in. : total, 352lb. I got these reduced to 300lb.

196. How?—It was an overcharge.

197. How did you ascertain that?—By tables.

198. Was the voucher paid on the reduced amount—£5 17s. 4d. to £5?—Yes, I believe so.

198A. Now, the pit-saws. What have you to state with reference to them?—Captain Turner told me to go into the matter. I went over to Mills and Company and asked them what they could

supply the Government with the same quality of saw for. I described the quality of the saw and the size. It had been suggested that they could supply the article at a lower price.

199. Tell us what you did?—I asked them what they could supply the saws for; they gave me a price, as shown in writing.

200. You reduced the voucher?—No, it was not reduced.

201. You objected to pay for them?—Yes.

202. Because they were charged at an excessive rate?—Yes.

203. And the voucher was not paid?—No.

204. Then comes the voucher No. 17?—Pully-blocks to lift 3 tons; July 5th.

205. Charged at?—95s., reduced to 55s.

206. So that £2 was knocked off?—Yes.

207. Has that been paid?—Not so far as I know; it has been sent forward to be paid at the contract price.

208. Voucher No. 18, July 5th; pick handles, one dozen; charged 9s., reduced to 7s. 6d?—Yes.

209. July 15th: picks, 3s., reduced to 2s. 8½d?—Yes.

210. July 18th: Crosscut saws, 2½ft. Charged 1s. 6d., reduced to schedule rate, 1s. 4½d?—Yes.

211. What is the total amount charged for these?—19s. 6d., reduced to 17s. 11d.; reduction, 1s. 7d.

212. Next voucher: Coal-tar, 23rd March?—Charged at 7s. 6d. the drum, reduced afterwards to 5s., making a difference of £1.

213. Do you produce any other vouchers showing reductions?—There are 1 dozen axes, charged at £2 4s., reduced to £2 2s.; that comes into the August accounts.

214. Any other items showing reductions? If not we will pass on to the tents.

215. *Mr. Tanner.*] You have heard Captain Turner's evidence?—Yes. I have heard part of it.

216. *Mr. Reid.*] Do you produce the tents that were supplied?—Yes; I produce two.

217. Will you show the Committee what is the difference between these two samples. [Samples produced and examined.]

218. *Mr. Tanner.*] The under one has been in use, and has been wet; it is stated that when it became dry it would be lighter?—Yes.

219. The other one has not been in use?—No.

220. *Mr. Reid.*] What action did you take after these tents were supplied?—I went and saw the manager for Messrs. Briscoe and Co. I also wrote him a letter saying that I could not pass the voucher. My letter is already in. [Letter read.]

221. Did you get a reply to that?—Yes, on 28th May, 1895. [Reply put in and read.]

222. *Mr. Montgomery.*] Was any further action taken to eliminate the objectionable paragraph?—No, I took no action.

223. Which do you consider was the objectionable paragraph in your letter; or the paragraph which they considered objectionable?—I suppose it must have been, "You must be perfectly well aware that your action in this matter is unaccountable."

224. That is the paragraph which you think was objectionable to them?—I think so.

225. *Mr. Reid.*] That account has not been paid?—No.

226. Cross-examined by *Mr. Skerrett.*] Supplies are constantly ordered, and supplied constantly, to your department by Briscoe, MacNeil, and Co.?—They are.

227. And the items which you and Mr. Turner mention are the sole items to which you call attention?—No; there are other items right throughout.

228. But these are the only items that you did call attention to?—No; they are not.

229. The tents—that is one item?—Yes.

230. You say you saw that they were of inferior quality?—Yes; I did.

231. And you saw that the pit-saws were highly charged?—Yes.

232. On the statement made by Mills and Co., when you asked at what price they would supply these articles?—Yes.

233. This is a non-contract item?—It is not included in the contract.

234. Is it not familiar to you that the ordinary market price would be regarded as the price of such an item—that is, if it was not in the contract, it would be determined by the ordinary market rate?—Yes.

235. Is it not familiar to you that the contractor would get as much as he could for the item if it was not in the contract—if it was not regulated by the contract?—Yes.

236. Did you not think that when you went to Mills and Co. they would tell you they could put these articles up at a little less?—Yes, considerably so.

237. With the exception of the pit-saws and the coal-tar, are these other items in the July and August list, and long after Mr. Jenkins made his so-called disclosures?—We had some of the items before and after.

238. These you speak of were after his so-called disclosures?—Yes; but the tents were not.

239. So that these mistakes or errors were made by Briscoe, MacNeil, and Co. after the trouble with Mr. Jenkins?—I do not know what time he left Briscoe, MacNeil, and Co.

240. Are not the errors in August the sort of errors that you would expect from any contractor?—No; I cannot say that they are.

241. And you say the inference from these items of August and July is not of the ordinary kind of mistakes in a large contract: what do you say is the inference?—That they charged for their own benefit.

242. Might they not have done so mistakenly?—I do not know what they might do.

243. On Weston's pully do you suggest that that was a fraudulent overcharge?—It is not the proper thing.

244. If you adopt the schedule rate at £2 15s., do you mean to suggest that a mistake was not made by the clerk, who omitted to notice that it was not a contract item?—I could not say how it had been made.

245. You do not expect a Government contractor to be infallible, although you claim to be infallible yourself?—No, I do not claim to be infallible myself.

246. With regard to the pick-handles, that is a little more than the contract rate?—Yes.

247. Do you suggest that that might be a mistake made by the clerk?—Of course it might.

248. That is, the 1s. 6d.?—Yes, the 1s. 6d.

249. Then the picks (15th July), that is the same kind of error?—Yes.

250. And the crosscut saws; what is the error?—I saw Mr. Gellatly myself about these cross-cut saws.

251. And you agreed to his price?—Not at all.

252. What did you reduce them to?—From 19s. 6d. to 17s. 11d. They were reduced in the Head Office.

253. Why?—Because that was the schedule rate.

254. Is not the difference of 1s. 7d. made up by the handles supplied with the saws?—I do not think so; if so, they ought to have been shown.

255. All I want to know is whether it is not possible that these handles were extra?—I cannot say.

256. Can you say they were not?—I could not say.

257. Can you ascertain whether they were or not?—I can find out.

258. Are you aware that ironmongers do not keep tents in stock?—No.

259. Do you know whether there is a difference in the charge for tents as between Wellington and Dunedin?—I believe there is a difference in price.

260. Do you know the reason of that?—One is 6ft. in the web; the other is 3ft. The 3ft. is the best. Giving a seam 3ft. apart instead of a 6ft. makes a stronger tent.

261. Can you give any reason why the Wellington price is higher than the Christchurch price?—I do not know, except they have to pay more rent.

262. Or is it that some sailmaker has a monopoly in this article?—There is only one sailmaker who gets higher prices than at Christchurch or Dunedin, and he gives best quality.

263. Do you know that the tent which you produce of inferior quality was paid for at a higher rate than the tent which the branch firm at Dunedin supplies according to contract to the branch here?—I cannot say.

264. How is it that tent was not examined here before it went up?—It could not be.

265. Will you explain why not?—There were a number of men going up on a certain day. I saw Mr. Bridson, of Briscoe and MacNeil's, and told him they were wanted in a great hurry. They were to be at contract price. There was a batch of men from the Labour Bureau going up on the same day. We were all very busy. There were the earthwork quantities to be taken out, and I asked them to supply the goods at once.

266. Can you explain why some officer of the department did not see and examine them?—Captain Turner examined them.

267. Was any complaint made at the time delivery was taken in Wellington?—No.

268. Why not?—Because delivery was not really given to us until they were on the ground.

269. The contract provides for delivery in Wellington, does it not?—I could not possibly do so. The men were going up at once. The tents were required in a great hurry. I had to go at night to get them. Whether they keep them in stock I do not know.

270. Had they to call some one to provide them at a pinch?—I suppose so.

271. You did not see them until after they were on the ground?—No.

FRIDAY, 6TH SEPTEMBER, 1895.—(Mr. A. SAUNDERS, Chairman.)

Mr. J. A. WILSON sworn (recalled).

The Chairman announced that the Committee had decided to admit the questions relating to cement proposed by Mr. Menteath.

1. *Mr. Menteath.*] There are two or three items for cement in the voucher, for instance, in exhibit No. 23. (To the witness:) There are 12 casks of Portland cement which were obtained on the 27th of February; at what price?—4s. : £8 12s. 3d.; they were obtained by the Lunacy Department for the Mount View Asylum.

2. There are six casks at the same price (Exhibit 24)?—Yes, there were six casks obtained also by the Lunacy Department, also for the Mount View Lunatic Asylum.

3. Now, will you look at the schedule and say what the price is as per schedule?—3s. 9d. in Wellington; that is, for New Zealand Portland cement. The cement that has been used at the Asylum I take it was English cement, which is not included in the contract.

4. Is there anything to show that?—The price would show it; it would show it approximately, as if under the contract the rate would presumably be checked. It was in casks instead of bags, which conclusively points to the fact that it was English cement.

5. Is not English cement a contract line?—It is not a contract line. We do not ask for English cement; as a rule we use no cement except what is of New Zealand manufacture, unless for special works where the New Zealand cement has been found not to answer.

6. Then, if you saw "cement" in any Government voucher, you would be inclined to think that it was New Zealand, because you do not use the English as a rule?—Yes; unless it is in casks.

7. What was the unsuccessful tender of Briscoe and Co. for English cement; was it not at the rate of 4s?—I cannot tell you.

8. Did not the officers of the department know that Briscoe and MacNeil refused to supply it except at another rate?—I do not know.

9. Is it not a fact that the New Zealand Portland cement supplied by the present contractor has been found unsatisfactory?—No.

10. Who was the officer that purchased English cement?—I do not know who the officer was in this case; I did not purchase it.

11. *Mr. G. Hutchison.*] What kind of work is it used for?—They have found the New Zealand cement unsuitable in exposed positions; in sea-water I have had occasion to find it so.

12. Was not that in the early stages of its manufacture, but is not the case now?—This is a recent matter.

13. What do you mean by a recent matter?—Within the last six weeks.

14. *Mr. T. Mackenzie.*] You say you used it within the last six weeks, and found it unsuitable?—Yes.

15. *Mr. Menteath.*] You were referring to the vouchers you have handed in to the Committee?—Yes.

16. Not to the whole of the vouchers in this inquiry. Have you made a calculation of overcharges from first to last in this inquiry?—No.

17. Would it surprise you that the exhibits show overcharges to the amount of £53 on a value of £522, the figures being as follows: Vouchers, £575 9s. 8d., and allowed £522 2s. 6d.?—Does that mean that £522 represents the total of the vouchers on which corrections have been made, or the total transactions during the period?

18. It is the total of the vouchers put in here, and the figures that have been allowed by the department, without counting errors that have not been checked by the department: the total amount of vouchers put in by yourself, by Mr. Blow, and Mr. Ibbetson, amounting to £575 9s. 8d., and the total amount allowed, £522 2s. 6d., making a discrepancy of £52 odd?—I am not surprised at a discrepancy of £52. As to the amount of the vouchers, I am not able to form an opinion.

19. You have told us that the average amount of goods under contract amounted to £6,000 a year?—Yes.

20. Would that be the amount of goods supplied in Wellington for the service in Wellington alone?—In Wellington.

21. Do you know what proportion of that would go to the Railway Department?—I should say about £4,000.

23. Now, we have had no vouchers produced from the Railway Department, so far as this inquiry is concerned?—No.

24. Therefore, all the vouchers that have been produced relate not to £6,000, but to £2,000, or one-third of the total: that is, all that have been checked; that is, all that has been in question?—Yes.

25. Therefore, if we entertained the impression that the errors discovered were in the total turnover of £6,000, that would be an erroneous impression?—I do not know the total of errors upon the whole contract; but where vouchers are correct, there is no reason why the department should not be given credit for those items that are correct, in considering the percentage of error.

26. Is there not a different system of check in the Railway Department?—Yes; there is, to a certain extent, but the cases are not at all parallel. The stores obtained for the Public Works are of a different class from the stores that are obtained for the Railway Department. The stores obtained for the Public Works Department are, for the most part, building material; the stores obtained for the Railway Department consists very largely of heavy iron material, which must be weighed.

27. Which must be weighed?—Absolutely; 50 per cent. of their contract is probably invested in bar-iron, plate-iron, bolts, or weights of one sort or other.

28. Has inquiry been directed to the vouchers put in by Briscoe and MacNeil to the Railway Department; have they been examined?—Not so far as I know.

29. Therefore, the only examination made for the purposes of this inquiry was the examination for goods supplied to the Public Works Department and others outside the requirements for which vouchers are sent in through the Public Works Department?—I do not know; there may have been examinations, but I do not know of any. There is evidently a point beyond which any system of check ceases to be remunerative. The Railways have a staff set apart for this; there are four men who are employed for this duty; if you will reckon up their wages you will find it is a fair percentage on the amount of the contract.

30. They are wholly employed in checking and distributing stores?—That is their business: they receive, check, and distribute the stores that come in.

31. Do they distribute also?—Yes.

32. You say there have been errors in other contracts?—Yes; there have been errors in other contracts.

33. To the same extent?—As regards the number of errors, there have been errors in one contract to a larger extent than in Briscoe and MacNeil's. I am referring to Stewart and Company's contract; that was a contract for painters' requisites in 1894. I am speaking simply of the number of alterations; but judging from the number of alterations is not a fair way to look at it. The alteration in Stewart's vouchers were almost entirely alterations in respect to prices on which the department had a standing dispute with Stewart and Company. They used to send in these prices month after month, and as regularly as they came they were crossed out on our part. Of course, that altered the amount very materially.

34. The alterations there were not of the same character?—The nature of many of the errors in Briscoe's contract more than discounted any advantage due to a lesser number.

35. Have you ever had the same errors of overcharge, or more errors in respect to weight than you have had in this contract?—No; I have not.

36. You are only speaking from partial information when you say that the number is not greater than in Stewart's contract, because you have not gone through all the vouchers, but only through a few of them?—I have gone through the vouchers belonging to the Public Works Department.

37. *Mr. Reid.*] In going through the vouchers would you prefer to take the statements of your own officers or Mr. Menteath's figures?—I would prefer to take the statements of my own officers.

38. As to the amounts of goods relatively supplied to the Railway Department, is your statement proximate or tentative, or is it mere guess?—It is not guess; I got certain data from the storekeepers as to the proportion they receive; and, for the amount of bar and plate-iron, I got the information from Mr. Felton, the Railway Stores-manager.

39. Have you any data for your estimate of the amount supplied to the Public Works Department?—For the amount of iron-work?

39A. You have formed some notion of the proportion being so much. What I ask is, whether you have data for setting down so much to the Public Works Department, or whether it is only a guess?—Well, it is but little more, so far as the Public Works is concerned.

40. Did you not, as a matter of fact, report officially that the total amount of goods supplied to the Public Works Department during the period you mention was £800?—Yes.

41. That would show a larger proportion than you thought?—Yes.

41A. *Mr. Skerrett.*] Surely you are inaccurate in your estimate given in answer to Mr. Menteath's question. Do I understand you to say that the proportion of contract charged to Public Works would be as £4,000 is to £2,000?—I have just corrected that.

42. What should it be?—I have had the actual figures taken out, totalling in six months £5,448 4s. 2d. (see Appendix) to Public Works.

44. *Hon. Member.*] And to the Railways?—£2,013 2s. 10d.

45. *Mr. Skerrett.*] Surely there must be some mistake?—As far as outside districts are concerned, my evidence is approximate; I cannot say what goes into the outside districts.

46. Would you prefer to take it from Messrs. Briscoe and MacNeil's books?—I have very little means of saying what is used in the outside districts.

47. Would you say that your evidence on these points is not reliable, through lack of sufficient data?—I have not the data on which to form an accurate estimate.

48. Therefore your evidence on this point—the Committee could not act upon it?—I cannot say what the Committee would do in the matter.

49. Would you say it was sufficient to induce the Committee to act on it?—I do not ask the Committee to act; I merely say that I have given you the information as well as I could.

50. You must not complain if they should want better evidence?—I have told you my data is insufficient.

51. You have told us that you would not be surprised to hear that the total of deductions amounted to £52?—I have said so.

52. Could you give me the proportion of reductions which are attributable to excessive weights or excessive measurements?—I cannot; I only think it would amount to about 50 per cent.

53. *Hon. Member.*—£25.

54. *Mr. G. Hutchison.*] I wish to ask you a question as to the voucher relating to glass from Tingey's. Who discovered that error; it is in a voucher signed by you?—The department discovered the error.

55. *Mr. Menteath.*] That is Exhibit 25.

56. *Mr. G. Hutchison.*] Would you say who discovered that error?—I understand it was corrected in my office; the clerk who checked the account is here, Mr. Biddell.

57. Was it corrected before you signed it?—Yes.

58. When it was corrected you signed it?—Yes.

59. What was the date?—28th June, 1895.

60. There is a difference between £51 15s. 6d. Yours is £52?

61. *Mr. Tanner.*] I have to ask you about the proportion of the contract that went to Public Works, as against that to the Railway Department. You are a witness from the Public Works Department?—I am.

62. You say that, from the data you had before you, the figures upon which you made the statement, that the proportion which went to the Railway was one-third?—That is what I took it to be.

63. Do you adhere to that statement now, in face of the figures quoted?—I am not prepared to do so.

64. You say you would not be surprised if it did amount to £52 on £522?—I said I could not say what the vouchers would be likely to total, but I would not be surprised if the overcharges did amount to £52.

65. It has been suggested that on the accounts produced there has been an overcharge of 10 per cent. of the total?—It would be so if Jenkins's statement were correct.

66. As £500 is only the fifth of £2,500, does it not suggest itself to you that there is a couple of hundred pounds still undiscovered?—I do not think so, the accounts have been closely checked.

67. Some of them, or all?—All of them.

68. Do you mean by that that the accounts, all of them, £2,500, have been checked?—I have checked the whole in my district.

69. In your district? I find that you gentlemen who are officers of the Government, while you define your duties strictly, take responsibility for as little as possible; what do you mean by your district?—The Wellington district. Some of these goods have been sent up country.

70. Is Porirua in your district?—It is in my district.

71. Is Mount View in your district?—That comes under the Lunacy Department.

72. Will you define your district?—Up the West Coast to Otaki; it goes up to and over the Rimutaka Range; then over to Nelson and Marlborough, as well as the City of Wellington.

73. This is the first we have heard of Nelson and Marlborough. I would ask you what proportion of vouchers have come through your hands out of the £2,500? Does this expenditure to the amount of £2,500 represent everything with which you have had any connection?—I dare say the expenditure that has passed through my hands may have amounted to £2,000.

74. Of which £520 are produced before this inquiry?—Quite so.

75. What are we to assume as to the other £1,500, of which we know nothing, when we find an overcharge of 10 per cent. on the papers already produced; do you call that an exhaustive examination?—I have made an exhaustive examination of all my accounts.

76. Where are they?—They are before you.

77. *Mr. Skerrett.*] The vouchers produced are only those on which corrections appear?—Yes.

78. *Mr. Montgomery.*] These are not merely vouchers numbered 1, 2, 10, 12, and so on; they are practically all the vouchers in which mistakes have been made. You have not all the vouchers, but they are all that have mistakes so far as I know; it is possible that other vouchers contain none, or very few mistakes?—Yes; these are vouchers in which mistakes have been discovered; if we are going to find all the errors that may have been made we should have to take the whole of the different departmental vouchers under the contract.

79. *The Chairman.*] Have you any reason to suppose that the correction of errors in the Railway Department, or the railway supervision, has been less effective than in your department?—No.

80. *Mr. G. Hutchison.*] The Railway Department have a delivery-note, upon which the receipt of goods have been checked?—I do not know.

GEORGE RICHARD HARBORD IBBETSON recalled and further examined.

81. *Mr. Reid.*] In continuation of your evidence yesterday, have you prepared a statement from the vouchers in your office of the Lands and Survey Department, showing the vouchers corrected by the department?—Yes. [Statement put in.]

82. Will you state what is the total amount reduced?—The total amount charged is £69 17s. 9d., reduced £18 18s. 6d., less £1 6s. to the benefit of the firm.

83. What does that come to?—The overcharge is £18 18s. 6d. and the undercharge £1 6s., leaving £17 12s. overcharge.

84. That includes the tents you produced yesterday?—Yes.

85. What is that mark in red ink?—That is approximate—£11 19s.

86. Is there any other amount approximate?—£2 3s.

87. Does that show payment on reduced amount, or overcharges held over for payment?—Held over for payment; they have not been paid.

87A. That is the case with most of the vouchers held over?—Yes.

88. *Mr. Skerrett.*] The amount, £17 12s., includes the item for tents, of which the quality is disputed?—Yes.

89. In that account there is only one item of excessive weight—namely, the jumpers and cleaners?—Yes.

90. Did you hear Mr. Jenkins's evidence?—No.

91. The other item, which consists of saws, which are not in the schedule of the contract?—No.

92. That makes £13. In your evidence of yesterday you said they were consistent with the account made by the clerk.

93. *Mr. Reid.*] Most of these goods were sent by the contractor up country?—Yes.

94. Did you receive any complaints from the overseer or others as to the way these goods were supplied?—Yes, several.

95. What did they complain of?—They complained that they were of inferior quality.

96. Some of the goods?—Yes, some of the goods.

97. Was there any other complaint?—No.

R. G. KNIGHT, sworn and examined.

98. *Mr. Reid.*] You are a sail- and tent-maker?—Yes.

99. What is your full name?—Richard Giles Knight.

100. Do you remember a tender being called at the end of last year for the supply of tents for the Public Works Department?—Very well.

101. You were a tenderer?—Yes, I was.

102. Was there a schedule produced?—Yes, I have a copy.

103. Is this the schedule?—Yes. [Schedule put in.]

104. You put in a tender, did you not?—Yes.

105. Did you supply tents to Briscoe and MacNeil?—Yes; I supplied tents to them for them to supply the Public Works Department.

106. Do you remember the order they gave you for the tents?—Some of the orders I would get from my daughter, some would be verbal, and some in writing.

107. Did you supply the quality of tent ordered?—I supplied whatever they ordered.

108. Did you sample that tent on the table [examined]?—That is my brand and quality "A."

109. That is "A" quality?—Yes.

110. Is that first or second quality?—It is second quality.

111. What is the average value?—28s., tent and flies, 12ft. x 14ft. fly; in some cases 12ft. x 14ft. fly. In this sample it is 12ft. x 14ft. fly.

7—I. 7A.

112. What is it without the fly?—18s.
113. Then the value of the fly is 10s.?—Yes.
- 113A. What do you say is the size of the fly?—12ft. x 14ft.
114. What is this other tent?—This is the quality I supply to the Public Works Department.
115. It is a sample tent?—Yes; I know it by my brand, "I B."
116. *Mr. T. Mackenzie.*] Is that the best?—I make a superior quality to that; this is the contract quality; the tender quality is £2, wholesale price—tent and fly.
117. What do you say is the value of the tent, and what the value of the fly?—The tent is £1 5s. and the fly 15s.
118. So that the value would be £1 5s., as against 18s.?—Yes.
119. *Mr. Skerrett.*] Do you remember an order given to you for tents in April?—I could not speak from memory about April, for my daughter took the orders in April.
120. In April?—I cannot say for the date.
121. But some time about the beginning of April you supplied tents to Messrs. Briscoe and MacNeil?—Yes.
122. Did they not at that time ask you for a price?—Yes.
123. You knew the tents were for the Public Works Office?—I did not know they were for the Public Works; sometimes it would be the Survey Department.
124. But you knew it was for the Government?—Yes.
125. Can you give the quality that was required?—Yes.
126. The order was given by Mr. Bridson?—There was always an attempt on Mr. Bridson's part to get the tents at a lower figure than I quoted to them in the first instance.
127. Was any quality ever specified by Mr. Bridson?—In the latter part of the year, always.
128. In April?—I cannot answer as to April.
129. Was any quality specified?—Not at the time, so far as I know.
130. Would not he be ignorant as to quality?—He is not ignorant of what he is told.
131. Did you receive an order for tents in April?—I did not take the order.
132. You do not know whether anything was said about quality?—Yes, I do.
133. From what your daughter told you?—Yes.
134. Were you asked to give a price for tents to be supplied to the Government?—You can ask my daughter what passed between her and Bridson on the subject; if you wish for evidence direct from my daughter you can have it.
135. When did Bridson deliver the order?—She protested against supplying "A" quality; she said it was not according to requirements. The question he asked was, "Can anything lower be supplied?" To which she replied, "Not and keep up the quality."
136. Then Bridson came to her and asked her for a price, and she gave him a price; did not he say that she must do it at a lower price than that?—Whatever Bridson told her she knew that we had given a price in writing.
137. Did not he ask for a price?—Yes; he was attempting to get it for a lower price.
138. She reduced the price?—No.
139. She quoted a higher price?—She said it would not keep up the quality if an inferior article were supplied.
140. Did she tell you there was a discussion about the quality?—Yes, she did.
141. Do you know that the rates for tents are lower in Dunedin than in Wellington?—There are a lot of tents come up here from Dunedin to the Wellington market which I would not like to go out from my establishment.
142. Your price for these tents in Wellington is £1 5s., and the contract price in Dunedin is 14s. 6d. Do you know the fact that samples are supplied to the Government from Dunedin?—If so, it surprises me they do not keep up a stock of them.
143. Do you know that samples have been supplied to the Government?—I do not know anything about their business.
144. You have great profits?—I would rather supply second quality at £1 8s. than the other at £2; the lower price pays me best.
145. You went to the Public Works and reported this?—Yes, I reported it when I found what was being done.
146. Were these tents sent by you direct to the department?—No, they were sent to Briscoe and MacNeil.
147. They were not sent to the Government?—They were sent to MacNeil. I went to the Government because I was told they were sent in as my first quality; it was when I found I was being made a scapegoat of that I went to the Government.
148. How long after?—It might be a few weeks. If you wish I can give you what made me go to the Government. I do not know whether it was a week or a month after.
149. You supplied the order, and then you went to the Government and complained; you might as well tell us the reason?—Because it was put forward that they supplied a 28s. tent at a 40s. price.
150. Who told you?—I have black and white to show it.
151. From whom?—I can produce it if necessary from Briscoe's office.
152. Let us have it?—When I am asked I can produce the evidence if you wish it; I have here in my hands the invoice sent with these tents, under date 29th March, 1895.
153. What has that to do with Messrs. Briscoe, MacNeil, and Co.?—It is the invoice of Briscoe, MacNeil, and Co.
154. You were going to give us evidence of tents supplied of a lower quality instead of a higher quality, and you said you had evidence of it?—On this invoice there are figures by some one in Briscoe and MacNeil's establishment—18s., 25s., 10s., 15s. I will explain how this came into my

possession: I was doing some very dirty work—dressing black oilskin coats; my wife was in the shop; a lad came in with a cheque for tents supplied; my wife had taken a fresh statement, and it had been detached; the boy left the invoice on the desk; as soon as I saw the invoice I saw what had been done; when I found what had been done, that was my secret of going to the Government.

155. You thought this was a representation that you had supplied an 18s. tent for a 25s. one?—No; it proved that they took my tent and passed it in—a 28s. tent and fly—as a 40s. tent and fly.

156. Would you be surprised to know that the same qualities are kept in stock and supplied to the branch of the firm here at 14s. 6d. and 9s.?—Then, if that is so, the Inspector has not done his duty.

157. They are supplied to sample at Dunedin. When you found what you say, did you complain to the Public Works that Briscoe and MacNeil's tents were not of the proper weight?—No.

158. You did not go to the Public Works then?—No; I did not go.

159. Was not an investigation made into the supply of tents by Briscoe, MacNeil, and Co.?—I know the weight of these tents.

160. Do you know that in consequence of some one's action—[Witness did not allow the question to be completed]?—Briscoe and MacNeil's tender was the same as myself on three items, and 6d. less on one.

161. Listen to me. I asked you a moment ago whether you did not complain to the Government in any form, or to any officer of the Government, that the tents were not according to sample, and were not of the right weight?—I said it was impossible to make these [pointing to the right quality on the table] tents up at that price.

162. You did not make a complaint, but you said it is impossible they could be supplied at that price at that weight and quality?—I gave the Government the weight of the tents.

163. Do you know that a circular was sent out to the departments warning them to examine all Briscoe and MacNeil's supply of tents?—I do not know that.

164. Were you not informed that the circular was withdrawn because it was found on inquiry that they were of the right quality and the right weight—that they were even heavier?—I know nothing about that.

165. Will you tell me how Dunedin is able to supply the same quality as you charge £2 for at £1 4s.?—There they have women working early and late at a low price; so it has been mentioned to me. There is a sweating system there.

166. You prefer fat profits?—I would be better off if I got fat profits.

167. *Mr. T. Mackenzie.*] How many yards of calico go to making one of these tents?—About 24, or from that to 26 or 27.

168. Then the calico would come to more than £1 4s.?—Undoubtedly, for good quality. The value of the calico in this tent comes to more. These others are put together with a single seam, 2ft. 6in. walls; if they could get tents at the price for 9s., it would be a good speculation to get a big lot of them.

169. *Mr. G. Hutchison.*] This is the account in her handwriting which was sent in to Briscoe and MacNeil's?—Yes, this is [produced].

170. And that, with the invoice, was laid by the boy on your desk?—Yes.

170A. And you noted the small figures against the items charged by you?—Yes.

171. Indicating a considerable advance?—Yes.

172. That gave you to know that they were charged at a figure higher than your charge. Do you know if these figures required first-class quality?—Yes.

173. You classed the inferior quality to their order?—Yes.

174. *Mr. Montgomery.*] Do you know the handwriting of these small figures on this paper?—No.

175. The figures were on when you got it?—Yes, when the invoice was left on my desk; but was not on it when I sent it in originally.

176. Did you know before this that they were supplying second class for first class?—No, I did not; this was when I knew it first.

177. *Mr. Tanner.*] Did you consider only one quality?—No, not only one quality; if you look at this quality you will see that there is six times the labour in it than there is in the other; it has double seams and double walls (?).

178. Is it not the fact that if the material gets wet it becomes lighter?—Possibly some calico has more dressing in it than others.

179. *Mr. Lang.*] What quantity goes into the 8ft. x 10ft.?—27 yards at 10½d. a yard.

180. And what would be the cost?—We work as close as we can. My daughter has the control of this branch of the business; I have very little to do with it.

181. What is the difference in making "A" and "B" qualities?—There is a difference of six times more labour in the one than in the other. There is a considerable difference—in one there is 6ft. cloth, in the other 3ft. cloth; then there is a lot of double-stitching.

182. *Mr. G. Hutchison.*] How long would it take you to make that (lower quality) tent?—About four hours.

183. And the other?—A day and a half. I do not think I could do it in that time; it would take at least a day and a half.

184. *Mr. Lang.*] Is it all made by machine?—Not all now; the splicing and other parts are not—

185. I want to get at the difference in time that it would take to make up the first quality and the inferior quality?—By machine?

186. Do you not know what the difference is in time?—It would take about four times as long to make that tent than it would this.

187. *The Chairman.*] By machinery?—Yes; by machinery.

(Mr. A. R. GUINNESS, Chairman.)

ARTHUR BIDDELL sworn and examined.

188. *Mr. Reid.*] What is your position in the Government service?—Clerk in the District Office.

189. You mean the District Engineer's Office?—Yes.

190. Are you not also his accountant?—Yes; to the Resident Engineer.

191. Have you any practical knowledge of the ironmongery business?—Yes, I have.

192. How long were you in the ironmongery business?—For thirty years.

193. It was a part of your duty to check the vouchers that came through from Messrs. Briscoe, MacNeil, and Co.?—All vouchers from all contractors.

194. Did you check the vouchers that came in from Messrs. Briscoe, MacNeil, and Co.?—Yes.

195. Is this a statement which you have prepared the last day or two showing the amount of overcharge made by Briscoe, MacNeil, and Co. in respect of weight and otherwise?—Yes, this is the statement, which I only finished last night.

196. Will you tell us the process of checking these vouchers when the account is presented?—When it is sent in I first enter it in the register, after I examine them by the order and delivery receipts; when I find they are correct I examine them by the schedule—

197. The schedule to the contract?—Yes.

198. You check the vouchers to see that the charges are correct?—Yes; I look through the items to see if they are correct. If there is anything wrong, I deduct the amount.

199. Do you put any date on the vouchers when you check them?—No; I do not.

200. What mark do you put on them to show that they have passed through your hands; take the voucher for glass, for example—that is a voucher passed by you?—Yes; there is a mark on it—"XYZ," with my initials.

201. What does that mean?—"X" means that the goods have been delivered, "Y" means that the charges are correct according to schedule, and "Z" means that the extension of the voucher is correct.

202. Where does it go then?—To the Resident Engineer.

203. To finally certify?—To certify.

204. Can you say when this voucher was checked by you?—I could not say the exact day on which it was checked.

205. That, I suppose, would depend on whether the Engineer were here in Wellington or not?—It would depend on whether he were here. He might be absent on the duties of his office; he might be busy doing something else; so that it might remain in his office a day or two.

206. You said the District Engineer also visits Nelson and Marlborough?—Yes.

207. So that you cannot tell the date of the check from the certificate?—No.

208. You could only tell that the check was previous to the certificate?—Yes; it could not be checked afterwards.

209. Did you discover the errors in that glass voucher?—I did.

210. How did you discover it?—In the order of checking I would calculate how they were charged at 380ft.

211. How have you compiled the statement which you have produced this morning?—From the duplicate: from all vouchers sent in from February 6th to July 31st.

212. That does not represent all the vouchers sent in?—It represents many of them.

213. After they have been certified, do they go to the Treasury?—Yes.

214. Then, you have to get it from the Treasury to show that it has been paid?—Yes.

215. Have the corrections that you have made in the vouchers of Messrs. Briscoe, MacNeil, and Co. been more than usually large in relation to other contracts?—No; we have had some very large reductions from other contracts.

216. The total you show is?—£49 and a few shillings.

217. Do you know of your own knowledge the amount of over-payment?—I think it was £4 or £4 10s.

218. Does that represent the whole of the vouchers put in from February to July?—It does.

219. That is, for supplies to the Public Works Department?—To the District Office; it does not comprise the whole of Public Works, but only the District Office.

220. What other supplies are made?—They do not go through our office; a good deal goes up-country for the railway and to Hunterville and other places as they are required. I am speaking of the supplies under the contract for the District Office only.

221. Was that list subjected to a separate and independent test apart from your own?—Yes, it was checked by Mr. Rushbrook.

222. *The Chairman.*] About the vouchers in your department that have not been produced, are they correct, or do they contain errors?—These are only the errors from February to July; the others are correct.

223. This represents the whole of the errors?—Yes, the whole of the errors.

224. *Mr. Menteth.*] You say that the total errors that have been discovered, and which discovery was not made until after payment was made, amounts to £4?—About that.

225. Does that include everything?—Yes, I think there is no doubt about it, so far as I can tell, after examining them.

226. Does it include such items as Silver Lake sash-cord? But, first, how do you identify the items on that list?—Here it is on the first page; the first page of the list contains it.

227. Does the first page give the overcharges which were not discovered before payment?—Yes. The total overcharges amount to £5 17s. 1d., less £2 6s. 9d.
228. *The Chairman.*] For what?—These are the under-charges—that is, the errors against themselves.
229. Are these all the items that have not been detected?—That have been detected.
230. *Mr. Menteath.*] I do not see any Silver Lake sash-cord here?—Yes, there are four hanks.
231. There is a hank at 7½lb.: that is not included in your list?—No, it was supplied to the Artillery; we have nothing to do with that.
232. Then, this does not represent all the vouchers that have been put in?—We have nothing to do with the Artillery supplies.
233. Is there any other service you have nothing to do with?—We have nothing to do with any other except the Public Works District Office.
234. Will you tell us what other department would receive vouchers?—There is the Lunacy Department, the Survey and Lands Departments—any other departments might buy goods under that schedule; but the vouchers would not necessarily come to our office—if they ordered them themselves they would not come to our office.
235. Then this statement is only partial?—These are only the errors which have passed through the Resident Engineer's Office.
236. You cannot say what day you corrected the error in respect of the glass?—I could not say the date.
237. You did not receive any information before you corrected that item?—No.
238. You were not informed that it was correct?—I was not.
239. It was signed on the 28th June?—It was.
240. How long before the 28th June did you check it?—I could not say; sometimes it would be checked, perhaps, the day it came in; it might be in the first week, or it might be a fortnight. I should say it would be within the first fortnight that it would be checked.
241. Were you told of a list of errors in these vouchers before the 28th June?—I think it was before the 28th June.
242. Can you tell me what the date was?—I should not like to say what date it was, for these matters were talked about.
243. Was it not before the middle of June?—I could not say what date it was. I was asked questions about certain matters, and I wondered how people got the information they were asking me questions upon. I do not know what the date was.
244. *Mr. Reid.*] You are certain you made these corrections on your own motion, and not from other information?—Yes.
245. Then, about the glass which you corrected from 380ft. to 156ft., who measured the glass?—I could not tell you.
246. Your certificate is only to see that the figures have been worked out correctly. Is there anything on the voucher to show that it had been measured?—I do not see that there is anything on the voucher to show it.
247. There is nothing to show that it was measured?—There is nothing to show it. These vouchers pass in to me, and I concluded that measurement had been made in the ordinary way.
248. Suppose a receipt had no weights on it?—I would look at the voucher. I might test the weight if I thought there was anything suspicious about it, or if the price was exorbitant.
249. Would you not test the size?—I should calculate the measurement to see that the amount of the money-claim was correct.
250. If there was no weight specified, what would you do?—Generally, I look at the weight: if there was no weight mentioned in the delivery-note, and if it struck me it was not weight, I would work it out; if it was near or about the weight I would let it pass. The tables of weight only give it to you approximately. This is the only way where the weight is not stated.
251. *Mr. Montgomery.*] Then, if it be not specified, there is no test in regard to weight? What I want to get at is whether there is a real test as to weight, size, and measurement, and so on?—It appears to me there is no other check except signing the delivery-note and working out the amount afterwards.
252. *Mr. G. Hutchison.*] Your certificate in respect to these vouchers is merely as to computation?—That is all.
253. You would have with this voucher a receipt?—Yes; and the order for the goods.
254. Suppose the delivery-note or the receipt or order merely described this as a case of glass, what check would that afford of the quantity supplied?—In a case of glass it would be cut into sheets, and there would be 100ft. in a case; all the sheets in question would be cut to order.
255. But, supposing the delivery-note merely described four sheets or thirty-two sheets of glass without any measurement, what data would you have for arriving at a correct measurement?—According to the delivery-note you would have none, but you could find out.
256. How did you certify to this 156ft. of glass?—I saw it stated at 380. I calculated whether there could be that quantity. I then worked it out and found it was only 156ft. The order for this glass would state—4 square 4ft. 10 x 10½, and 32 4ft. 10 x 10½, 28oz. glass.
257. I am assuming it did not say all that?—The order would say it. We wanted a complete line, and we have not got it yet.

TUESDAY, 10TH SEPTEMBER, 1895.—(A. R. GUINNESS, Chairman.)

GERTRUDE KNIGHT SWORN and examined.

1. *Mr. Reid.*] I understand that you are in charge of your father's workroom?—Yes; and in charge of the shop when he is not there.

2. Do you remember, in April last, or some months ago, an order given to you by Messrs. Briscoe and MacNeil for a supply of certain tents?—Ever since last Easter I have taken several orders.

3. Do you remember the first order?—The first, I think, father must have taken.

4. I refer to the first goods?—The orders came sometimes verbally, sometimes they would be put on a slip of paper and afterwards entered in the day-book complete.

5. Do you remember the first order given?—I do not remember as regards date; I remember I received orders for tents.

6. Was any quality mentioned?—Yes; it was specially mentioned.

7. The orders you say were verbal?—Yes, sometimes.

8. You were asked to supply quality to tender?—Yes; and we made a sample.

9. Were any alterations made in the orders?—We were asked afterwards for another quality, but we were not told who it was for.

10. Was that before you supplied?—No, we had supplied some of the proper quality.

11. And you were asked if you would supply another quality?—Yes, we were asked if we had another quality in stock, but we were not told who it was for.

12. And you supplied that other quality?—Yes.

13. Did you continue to supply to their order? Do you remember what number of tents were supplied?—I think we had about three orders—two or three orders.

14. You made up these tents?—I am in charge of the workshop.

15. Can you tell us whether this tent produced is a sample?—By opening it I could; I could tell by the work and the material. [Tents opened and examined.] One of these tents contains 122 yards of labour, the other 81 yards of labour—by machine.

16. *Mr. Montgomery.*] Do you know who it was that gave you that order?—Sometimes it would be Mr. Bridson who brought them, sometimes a younger man—a lad about nineteen.

17. Did you have any conversation with Bridson in regard to these orders?—Once or twice he asked me if I had any quality between: I told him we only had the lower.

18. Did you protest against supplying that?—Not exactly; I told him they were not the quality. I did not know who they were for, and he did not say.

19. Did he try to beat you down in price?—Well, he generally did want to beat down the price I asked for; there are few firms who do not do so.

20. *Mr. Tanner.*] Can you tell us the number of tents you supplied of the original quality?—No, I could not tell you. There were several; then those lower, and then the good ones afterwards. There were three orders: one was a large order, the other two were very small. About eighteen in the large lot were the lower quality.

21. Then, a number were of inferior quality, comparatively? How many tents were there altogether?—I have not that with me.

22. Cannot you form an estimate?—No; not for the year.

23. *Mr. McGowan.*] Is it the width of the calico that makes the difference in the labour?—The extra machine-work. Then there are the flies and the rope that is put round them; all that makes extra work.

24. *Mr. T. Mackenzie.*] What quantity of calico is in that large tent?—27 yards—tent and fly.

25. What is the original value of the calico?—10½d. a yard.

26. What do you consider the value of the labour?—Do you mean in money or in time? It would cost in labour alone 4s.—that is, for the tent only—not the tent and fly; it would be 6s. for tent and fly.

27. In addition to which there would be the rope: how much is that?—2s. Then there would be the twine, thread, &c., included.

28. *Mr. Lang.*] What is the difference in the value of the cloth in the one tent and in the other?—One is 8½d. a yard, the other is 10½d., or 2d. difference.

29. *The Chairman.*] What are the dimensions of these two classes?—One is cut according to the cloth, and would be about 2in. shorter; the other is cut into the stuff.

30. After these tents are complete, are they both of the same size?—Not exactly.

31. Is there much difference?—There would be a difference in the width and length. I never measured to see, but it might be three or four inches.

32. On the whole size?—Three or four inches. I have not measured, because there was never any necessity to do so.

33. Would anybody know the difference by looking at these tents?—Yes, they would know by the material and the finish.

34. Would a Government officer of the Public Works Department be likely to distinguish between them?—Yes; they are folded in different lengths.

35. Then, it would not be easy to deceive them?—Not at all.

36. Whose handwriting is that?—It is mine in the body of the invoice. [Document handed to witness.]

37. These small figures, are they in your handwriting?—No.

38. You do not know whose figures they are?—No.

39. *Mr. Skerrett.*] Are you quite certain that the first order by Briscoe and MacNeil was for "tender" quality?—Yes.

40. Could you tell me whether that invoice marked "29" is not the first order which appears in your books from Briscoe, MacNeil, and Co.?—I could not say whether it is first in the book; I will look at the date.

41. They did not take the contract until February 29?—I cannot answer your question, but I can find out and let you know.

42. And the number of tents, if you please?—Yes.

43. The tents would be folded by you?—I superintend the folding and packing.
 44. Would there be any covering round them?—No; just as they are.
 45. Do you remember any orders given for private persons?—I do not know of any except for the Government.
 46. Then, you understood afterward that those were for the Government?—Yes.
 47. From whom?—Mr. Bridson.

Examination of ARTHUR BIDDELL continued.

48. *Mr. Reid.*] You were asked about the glass supplied from Briscoe, MacNeil and Co., charged at 380ft.?—It was originally delivered at the correct size; it was afterwards found to be half an inch short; it was then exchanged for thirty-two pieces half an inch larger. [Receipt produced.]

49. *Mr. Montgomery.*] There is no delivery-note for the second lot?—Not for the second lot; it would not be necessary; no doubt he would be with it himself.

50. This is signed "W. Stevens"?—Yes. The first.

51. Would it be his duty to measure the glass?—I do not know that it would; I do not know that there was any necessity for it. They were for the windows of the Lunatic Asylum, so that the size would be known by the order, and fitting them into the window.

52. Then, the only check would be yours?—From the vouchers.

53. The storekeeper would not attempt to check the quantity of feet?—Not the quantity of feet.

54. *Mr. Reid.*] Then, the 30lb. of nails, would he take the weight of them?—I do not know that he would weigh them; it is not necessary to weigh them; there is no facility for weighing them when they come in. Besides, these would not come to the Public Works District Office: they would be sent straight away to the Lunatic Asylum.

55. *Mr. Montgomery.*] Who is W. Stevens?—He is the assistant to Mr. France at the Lunatic Asylum.

56. Does he sign these sizes and weights without seeing them weighed or weighing them himself?—I do not suppose he did weigh them; they were materials going to a public building.

57. Then, there is no check of weights?—Not on the building.

58. Will you tell me what proportion of materials, goods, &c., go to the buildings?—Nearly everything we use in the District Office goes on to the buildings.

59. All goods that go to the public buildings are practically not weighed?—Most of the goods required for public buildings go direct to the spot, and do not come through the District Engineer's office.

60. *The Chairman.*] You say there is no facility for weighing?—Unless you employ a man specially for that purpose. It would not pay to keep a man for that purpose.

61. *Mr. Montgomery.*] You are an expert ironmonger: do you think your check a sufficient check?—I think it is a sufficient check; I will give you proof of it in the fact that in all that have been supplied only £3 9s. 6d. has been overcharged in weight.

62. Then, we are to understand you that nearly all the goods that are supplied are not weighed?—Not weighed; but when the quantity received is so large it is a proof of the efficiency of the check that the only amount charged which we could not check is only £3 9s. 6d.

63. *Mr. Reid.*] Will you explain to us how they are checked?—The only check is when I check the vouchers.

64. *The Chairman.*] How can you check them if you do not weigh the goods?—We check them by a table rate. If we see that the charge is not in accordance with the rate, or if the charge should appear exorbitant, we check the goods according to the schedule. If there was only a matter of a pound weight or two difference we would let it pass.

65. *Mr. Reid.*] Take the item, "30lb. of square-headed nails." Is there any check on that?—No; there is no check. I would take it for granted that it was 30lb.

66. You would take it for granted, as you had no option except to take it for granted?—Such weights as these.

67. *The Chairman.*] All the goods sold by weight, do you take the weight given to you?—Except those which go to the Workshops.

68. *Mr. Montgomery.*] Galvanised iron will differ as much as 20lb. or 30lb. to the case. Would you take for granted the weight in such a case as that?—If it varied from the table rate I would not—I would also look at the voucher. You get so many sheets in a case; it is easy to calculate whether the proper quantity is supplied. I do not see anything but the voucher and the table rate.

69. Suppose a case of this sort, that in the course of years some slight overcharge would be made, such as 30lb. for 28lb., and so on, would that be discovered?—I could not discover it.

70. And yet you say your own is a sufficient check?—I do not see any other check except you kept a man purposely to check the weights.

71. Then, you say the cheapest way is to trust the contractor?—I would give him credit for some amount of honesty. If the goods supplied came near the amount I would let them pass.

72. Then, all you do is to work out the extensions?—Yes.

73. As far as the weights go there is no check at all?—Not actual weights.

74. *Mr. McGowan.*] With reference to weights, would it not be a check if the order was suitable to the particular work? You would know by the work done whether the proper weights had been supplied?—An architect would probably know whether a certain number of nails would be required for the particular job in hand, and if the quantity did not complete the job there would be so much short-weight. These nails are usually ordered by the Inspector. I should not think that a clerk would have the time to see how many nails were in 14lb.

75. *Mr. T. Mackenzie.*] If they were required for Woodville, they would not come through your office?—No.

76. Then, where is the check?—In that case they would be checked in the Engineer's office at Eketahuna or Woodville.

77. You do not see the goods?—I never see them.

78. Then, really, in going through these vouchers your endeavour is to ascertain as nearly as possible what are the items, and what is likely to be their correct weight?—Yes.

79. How can you ascertain that if they come in large quantities and are delivered at the works, being sent there direct?—They are not always large quantities; they are very often small quantities.

80. *Mr. Tanner.*] It appears from the papers produced that trifling quantities of blacklead, gold-leaf, caustic soda, and things like these, where the total is only a few pence, are tested in respect to weight, and yet you have not the slightest idea in a matter of 20lb.?—In the cases you refer to we have the contract rates to guide us. The charge is altered to the contract rate if there is an overcharge. There are two elements—the contract rate and the quantity.

81. How do you show that 30lb. of nails were delivered?—I could not tell you, because they are not weighed on the works.

82. How are the Committee to form a judgment, where there are scores of errors and mistakes, while yet you would give the contractor credit for honesty?—I would. These are all very small items.

83. What is the value, say, of 30lb. of lead-headed nails?—5s.

84. But a ninepenny packet of blacklead is tested?—No, it would not be tested. It would be checked according to contract rate if overcharged. If it were charged at 9d., and the contract rate were 7d., it would be altered to 7d.: there is no other test required.

85. While testing little things—?—No; there is no test.

86. Where is the check—you say there is no mode of checking?—No, if the quantity is not weighed on the work.

87. What is the difference between quantity and weight?—I should distinguish nails by weight.

88. Did you make out this list the other day—this list which we have been discussing before the Committee?—Yes, I made out that list.

89. It has been your custom to check those vouchers which have been produced, with the exception of one or two?—Yes.

90. Did you hear any report on this subject into which we have been inquiring?—No, I did not.

91. Have you been examined by any one on these matters?—I have not been examined.

92. Are you used to checking and compiling figures?—Yes, it is my business in the office which I hold.

93. You have had experience for a number of years?—Yes, as an ironmonger.

94. Have you been in the Government Insurance Department?—No.

95. Never?—Yes, I was some years ago, for about a month.

96. Would you tell me whether you had all your figures correct there?—I had nothing to do with figures.

97. Quite sure?—No, nothing.

98. Have you ever been in the employment of Messrs. Briscoe, MacNeil and Co.?—Yes.

99. Will you give the Committee an idea of the time?—I was for some years in their employment. I do not know that I can give you any information as to the time.

100. You say you were there some years: would you tell the Committee the year?—It is some time ago; I could not tell you the exact year.

101. But you would be able to get it within a year or two?—It might be ten years; I could not say for the year.

102. Might it have been eight years?—It would be longer ago than that.

103. Might you not have left in 1886?—I was not at Briscoe and MacNeil's in 1886.

104. *Mr. Lang.*] I understood you to say that certain goods sent by weight you could not check if there were no facilities for checking by weight?—No.

105. Have you no means at all of checking any goods delivered to the public buildings in Wellington?—They are delivered direct to the workmen on the spot; they are not weighed.

106. Could you give us an idea of the proportion of these goods, or the totals, roughly speaking?—No, I can give you no total; but I should say it would be a very small proportion that are weighed.

107. Do you know the proportion?—I could not tell you the proportion in value. At a rough guess I do not think it would be 5 per cent. that would be really by weight; most of them go by quantities.

108. You have told us that some of the articles are supplied by weight and some by quantity: by weight you do not check where the goods are delivered to buildings outside the stores?—I have no means of checking only where the goods can be checked by table rate.

109. When goods are supplied by quantity, do the persons who receive them check them?—They check the quantities and sign for them: they give a receipt for them, and that is attached to the order on the voucher.

110. *Mr. Skerrett.* You were asked whether you had been in Briscoe and MacNeil's employment at one time?—Yes.

111. Was that not between twelve and fifteen years ago?—It might be twelve years—I could not tell you right off.

112. Since then you have been in Mills's employment?—Yes.

113. For many years?—For some years.

114. And you have been in other employments?—Yes; I was in Mr. Dawson's. I also disposed of the business of Waring Taylor.

115. Can you say there is any reason why you should favour Briscoe, MacNeil, and Co.?—The vouchers will tell you that.

116. With regard to the glass, the error was made in extending the quantity of glass specified in the voucher?—Yes.

117. So that the error was obvious on the face of the voucher?—Yes; you could not miss it.

118. That list was a list of all the corrections?—Yes, it is.

119. You told us that the articles charged by weight would not be in proportion more than 5 per cent.?—Yes; the proportion was very small.

120. Do you know the term "bulk lines"?—Yes.

121. Are they not chargeable by authentic tables?—Yes.

122. So that even a small proportion of the 5 per cent. could be checked by table?—Yes.

123. Is that the same way as contractors of repute do their business with the Government?—Yes.

124. Have you examined other items than those given by Jenkins?—Yes.

125. And you found that £3 9s. 6d. represented the total discrepancy?—Yes.

126. On the vouchers that passed through your hands?—Yes.

127. Over-payment?—That we could not discover.

128. The amount overpaid and deducted amount to £18, including that £3 9s. 6d.? Does not your statement show a total amount of overcharge by weight or measurement of £18 14s. 7d.?—Yes; that is right.

129. Does not that include the item "50ft. of composition pipe"?—Yes.

130. That happened in December, before this contract started?—Yes.

131. And ought not to be included?—No.

132. Does not that include some glass charged at per sheet instead of per foot?—Yes; there are several charged by sheet instead of by foot.

133. 15s. and 9s. must be deducted on that?—If you take them by measurement only.

134. That would make £1 12s. 7d. to be deducted from £18 14s. 7d.?—Yes.

135. That would leave an overcharge of about £16?—About £17.

The Chairman: £17 2s.

136. *Mr. Skerrett*.] Then there is a small charge of £2 6s. 9d.?—Yes; short-charged.

137. Well, that would leave a balance of £15?—Yes; £15, about,

138. Less £8 8s.: there is an obvious clerical error?—Yes.

139. That would reduce the total amount of charge to £7?—Yes.

140. All the other items consist of articles charged to wrong rating, according to the schedule?—Yes.

141. The schedule is very complicated, is it not?—It is very voluminous.

142. Is it not a fact that clerks constantly make errors of this description?—There are large firms who make errors, like other people.

143. Is not the schedule in regard to many of these items open to discussion?—Some people may argue any way.

144. *Mr. Reid*.] You told the Committee that you were an ironmonger of thirty years' experience?—Yes.

145. You are aware of the practice in delivering ironmongery to the works?—Yes.

146. Is it usual to examine things of this kind by weight?—They would count quantities, but not weigh them; when we speak of articles counting one dozen or two or three the contractor really does not weigh them—they are charged by the quantity.

147. As to the practice of receiving these goods on the works, is there any difference in this case from the mode of doing business by private firms: you, having had experience, would be able to tell the Committee whether there is any difference?—There is no difference.

148. In dealing with a firm of this kind some attention is given to respectability?—Unless in handling the goods the charge would seem to be excessive, or for some other reason, the weight would be taken as it is given.

149. Did you prepare the schedule?—Yes.

150. And you are conversant with every item in it?—Yes.

HUGH MACNEIL, the younger, sworn and examined.

151. *Mr. Skerrett*.] You are a member of the firm of Briscoe, MacNeil, and Co.?—I am.

152. You are wholesale ironmongers carrying on business in New Zealand?—That is so.

153. How many branches has your firm in New Zealand?—Three; one at Dunedin, another at Invercargill, and at Wellington.

154. How long has the firm been established?—Speaking roughly, about a century and a half.

155. How long have you been carrying on business in New Zealand?—A little over thirty years.

156. You have also branches of your firm in the Australian Colonies?—We have.

157. Your firm has a contract with the New Zealand Government for stores to be supplied to the Government under the contract?—Yes; that is so.

158. Are you the contractors for any limited portion of New Zealand, or do you contract to supply over the whole of New Zealand?—We are the contractors for every section of New Zealand, with the exception of Auckland.

159. I believe you have the management of the Dunedin business?—That is so.

160. With some superintendence over the other branches?—That is so.

161. The supplies are sent in from all three branches to the Government offices?—That is so.

162. In the Wellington branch they go direct to the Government?—Yes.

163. And supplies for Invercargill are rendered from the Invercargill branch?—Yes.

164. Have you been aware of any system of overcharges made by your firm for the supplies sent in to the Government, either in respect of weight or quantity?—No; certainly not.

165. Have you been aware of any overcharge as to price?—No; certainly not.

166. Do you believe that any of your managers or persons holding a responsible position in your firm are aware of such a practice?—I am quite sure they are not.

167. Now, in regard to this schedule, a large number of errors have been detected by the Government in the ordinary course of checking. You have heard the evidence given before the Committee?—Yes.

168. Do you desire to make any remark on the character of those errors?—Yes; I think I do. I should like to state first that what I am going to say is entirely extempore. I have not had the opportunity—and I do not expect an opportunity—of giving an opinion in connection with these things. I would, therefore, like to say something in regard to the character of these errors. The more so, because I have had a varied experience, extending throughout these colonies, in connection with the execution of Government contracts of this description, and of others. I should say as to the errors which have been disclosed by the department this: in consultation with my brother, who is a partner in this concern, we decided that I should come up here and investigate these matters. I did so, and in connection with those errors I say that, while I found on the part of the man that had charge apparent carelessness and—it was not quite blundering, although it might be called—blundering, still I felt that I could not, as an expert in the trade and an employer, altogether blame this man for his apparent carelessness and blundering.

169. Do you mean Jenkins?—I am speaking now of Bridson. I say it is impossible for me, as an expert, to blame him in this matter, knowing as I do that there was such an exceedingly clever young man as Mr. Jenkins working at his elbow all the time. This person I refer to has been shown to be an exceedingly clever young man, and I cannot help saying that, let an ironmonger be as expert as he may, with such a man working for his own ends all the time, I am quite satisfied that chaos would be sure to follow.

170. There are a number of alterations in Jenkins's handwriting, are there not?—Yes.

171. A good number of articles are not weighed, but the principal alterations relate to the prices made up according to the schedule. Is it common to find errors of that kind in all Government contracts?—It is usual, principally because of the exceedingly complicated nature of these schedules. As regards this particular schedule, it is the most complicated schedule I have ever seen, and I have seen a good many.

172. Apart from its complexity, it varies the manner of charging for articles not customary in private trade?—That is so.

173. And therefore creates a deal of difficulty and confusion?—That is so.

174. Are not errors of the kind likely to crop up in dealing with a contract of this kind?—Yes; but in this case specially a great many items are put under heads which are not correct headings at all. If I were asked, as an expert ironmonger, to find some lines under these headings, I am quite sure I would not be able to find them if I looked under the technical heading for the line in question.

175. You say these alterations are hardly preventible?—They are not preventible at all; they cannot be prevented; I defy any one to prevent them.

176. Now, with regard to the alterations here, your remarks do not apply to them?—No they do not.

177. Of these items, personally you know nothing?—No, I have heard of them, and the explanation which you, I understand, are going to bring out later on.

178. Have the circumstances of this inquiry been made use of by private firms against the reputation and standing of your firm?—Yes, that is so.

179. In only one place or throughout the colony?—Right through the colony—this colony at all events—from Auckland to the Bluff.

180. Has that affected your credit?—No, Sir, it has not.

181. Why do you object to it?—Why I object to it is, because I consider it a very disreputable way of trying to injure a good old concern; that is why.

182. You can say that exaggerated and untrue accounts of the nature of this inquiry have been circulated through the colony?—Yes, I can say that.

183. *Mr. Reid.*] Can you tell us how long Biddell was in your employment?—I cannot tell, but I remember his being in the employment when I was a lad; that is twenty years ago.

184. What position did he occupy?—He was commercial traveller. I can give only a bare idea as to when he left.

185. Did you look on him as a practical ironmonger?—Oh, yes.

186. You heard him state he compiled this schedule?—I did.

187. Did it strike you that, being a man of such experience, he was peculiarly fitted for such work?—It did not strike me so; our business is such a complicated business; one of the main features is the enormous amount of detail; any man who does not keep himself posted up to date will get behind in a few months; and no man who is not posted up to date is competent to make up a reliable schedule of this character.

188. *Mr. Montgomery.*] You say you inquired on your own account as to these tents?—Yes; I did.

189. You cannot give evidence on the matter, but you were satisfied with the explanation given to you?—Yes; perfectly satisfied.

190. *Mr. T. Mackenzie.*] What articles in the schedule are charged other than the usual trade system?—I could not tell from memory. I have been through this schedule very carefully myself, and I could show you the items I refer to if you care to place this schedule before me, and let me go through it. There are a good many of them.

ALEXANDER WYND GELLATLY sworn and examined.

191. *Mr. Skerrett.*] You are the manager in Wellington of the Wellington branch of the firm of Briscoe, MacNeil, and Co.?—Yes; I represent them in Wellington.

192. You have entire charge of their business?—Yes, I opened up the business here for Briscoe, MacNeil, and Co., and I am still conducting it.

193. Will you tell us how you came to employ Jenkins?—Yes; he waited on me about the middle of February, and solicited employment. He made rather a specious application. He said he had been employed by Duthie and Co., that I knew his brother, who was under me for about ten years during the time I was in the Melbourne house. He also said that he had heard we had secured the Government contract, and that he would come to me at £1 15s. a week. I told him I did not think we had any employment to give. In consultation with Mr. Bridson I found that he wanted some one to assist with the clerical work in connection with these contracts, and I subsequently offered Jenkins temporary employment. He came to us on the 25th February.

194. As a temporary clerk?—Yes, at the salary he mentioned himself; I did not suggest salary at all.

195. Jenkins has said that shortly after going to your employment he had a conversation with you about some returned voucher, and that you said, "Never mind, charge it again"?—That I totally deny. I have some recollection of one as to a railway slip, and that I told him he was to charge it. As to the charging it "again," the statement is absurd on the face of it. I could not have said such a thing.

196. It is suggested that an alteration in the rough-book (page 25) in blue pencil is in your handwriting?—No, it is not my handwriting; I deny that it is my handwriting; that is on page 104.

197. Then it is not your handwriting?—No.

198. Is it in Bridson's handwriting?—If I was asked my opinion, I would say it was Bridson's, but I would not swear to it. Why I say so is, that Bridson made his marks in blue pencil.

199. You were bound to detect these alterations because you regularly looked through the journal—Jenkins says so; will you say what was your practice while he was in your employment?—On the 15th of March I went to Melbourne. I was absent from the 15th of March till the 20th of April; I could not, therefore, look into the journal regularly every week. Prior to my leaving for Melbourne, in March, I did look into the journal to see that the work was kept up—to look at the totals and the amount of sales, but not to go into details.

200. You would not be likely to extend any of these charges?—No.

201. Or to examine any of the items?—No.

202. Jenkins was dismissed on the 6th of May?—The 10th of May, I think it was.

203. It is also suggested that your attention might have been called to the overcharge of weight?—No.

204. But vouchers were returned; will you tell us the practice in regard to returned vouchers?—In the Railway Department the documents are always posted to us. I go through the mail in the morning when I arrive at the office, about 9 a.m.; I usually see all orders that come from the Railway Department. In the Public Works Department they are sometimes left by a messenger; if any voucher is returned I would see it if it came by post; but if a messenger brought them I would not see them, they would be brought probably to Mr. Bridson. The first intimations I had of alterations was when our cashier waited on the Government for payment, and he was informed that there was a certain amount of errors.

205. Then you had sent in the vouchers?—Yes; the Government would inform us that there was a cheque waiting, and our cashier would go to collect it.

206. He would get the money and return to you?—Yes.

207. Have items been reduced?—In some cases.

208. In some cases?—In some cases they have been added to.

209. In cases of reductions what would the cashier do?—He takes a note of the reductions; he has either to take the cheque as written, or not at all, if there are corrections to be made. The Government take the right to say that things shall be charged at certain rates and weights and quantities; we submit to that in the rough; we are quite agreeable the Government should make reductions, seeing that they sometimes give us additions. Mr. Newbold informed me last week that on about £240 there was a difference of only 7s. 4d. which the Government claimed. Practically in business we must recognise a certain amount of leakage; we estimate about 2½ per cent. to provide for this Government leakage, being about equal to the cash discount on ordinary trade; it pays us better to lose that 7s. 4d. than to go into a mass of details.

210. To go into details would involve an extensive correspondence?—There might practically be no end to it, and we might not get our 7s. 4d. after all.

211. The cashier goes into the reductions when he goes to get the cheque?—Invariably 75 per cent of these reductions are only known to us when we go to the department for our cheque.

212. Did you ever have any conversation with Bridson about excessive weights: were they ever referred to you?—No.

213. I want you to explain the process of "calling over," how it is done, and the object and purpose of it?—I have heard a good deal about the system of calling over or "calling back"; but I really do not know there is such a "system." When the order is handed to us or they come in by post, they are written into this rough book (produced), and the salesman makes up the order from this book; we have also a despatch-book which is kept in the iron-yard, in which the salesman enters the goods to be despatched; we also keep in the iron-yard certain heavy goods; if there was any yard stuff to go, he would enter it in this book, so that the whole thing would be despatched together. In the last contract we used to write out the vouchers from this rough book; we used to render our vouchers every month. When we got the new contract, which embodied the railways as well, we decided to have two books—one in which we could show the costs on this contract, and

how it was paying. We caused a transcript from the rough book into this other book. There was no system of "calling back." My experience is that when you ask a man to transcribe he will transcribe more correctly into another book when he knows it is not to be called back. If I asked a clerk to transcribe I would not expect him to call it all over. There may have been a system of "calling back" elsewhere, but "calling back" was no part of our system.

214. It is said that Bridson would have the order-book while he (Jenkins) invariably had the journal. He went to Bridson, and both compared what he read with the order-book?—That might have been so.

215. If that were so, can you account for the fact that all the alterations, with one exception, are in Jenkins's handwriting? If Jenkins's account is true would he not have to take the order-book from Bridson and write in the alterations?—I do not know such a system at all in connection with my business.

216. Assuming that we find alterations in the order-book, in Jenkins's handwriting, Bridson must have passed the order-book from himself to Jenkins, and Jenkins written it?—Yes. Bridson has only marked this book: all that is required is to show that it is entered, he puts in the folio, say, 21: this marking shows that no entry has been passed. He was to see that the entry was in the journal.

217. I want you to describe the events leading up to the discharge of Jenkins?—In Melbourne his brother spoke to me about him; he understood that I had him in our employment. I said, "Yes," that was so; that we had, partly on his account, engaged him. He said he was sorry, although he was his brother. I asked him why, and he answered, "Because he was not much good." This was the first intimation I had of Jenkins being anything but an honest man. When I came back to Wellington with this in my mind I thought he required looking after. When I came back I allowed my manager to go to Gisborne on business for a fortnight, and during his absence I took up his duties. Once Mr. Ibbetson was with me discussing some matters connected with the contract; and afterwards Jenkins said he thought it would be policy for me to make terms with Mr. Ibbetson. I indignantly repudiated the idea, and said I would not make terms with Mr. Ibbetson or anybody else. I had Mr. Jenkins under a sort of supervision; I was not exactly watching him, but, with what I had heard in my mind, I came to the opinion that he was in collusion with people in the Government employment. He has stated he was in communication with Mr. Dawes. Having formed that opinion I came to the resolution to discharge him.

218. What did he say with regard to Ibbetson?—He said he had had a conversation with Ibbetson; that he had been putting things to Ibbetson, and he thought it would be better to make terms with him than thwart him.

219. Was that in a sinister and improper way?—Yes; it struck me as an improper way. It annoyed me very much. I went to lunch. After luncheon I called Bridson, and asked him if we could dispense with Jenkins's services—if he could carry on without Jenkins's assistance. He said he could carry on without him, and he has carried on without him ever since. On the Friday Newbold waited on me, and said that Jenkins had asked him for an advance on his salary. As I would have to give Jenkins a week's salary in lieu of a week's notice, and a week's salary would be coming to him the day following, I told Newbold he might advance him £1 10s.

220. That was on the Friday?—On the Friday morning.

221. What next?—On a return to my office on Friday afternoon—

222. What time would it be?—Some time in the afternoon—probably, from 4.30 p.m. to 5 p.m.

223. Was it after he got his £1 10s.?—Yes; after he got his £1 10s. He wrote to me. I understood that Bridson had told him we were going to dispense with his services.

224. You received a letter?—Yes; I received a letter.

225. You dismissed him on the following morning?—Well, I told Newbold the next morning to hand Mr. Jenkins the 5s. remaining on his week's salary and a week's salary in lieu of notice, and to tell Jenkins that we did not require his services any further.

226. Did he come for his 5s. on the Saturday?—He did not come.

227. Then, on the Monday?—Newbold told me on Saturday that he had not come for his salary. I told Newbold to write him a note, and when he came on the Monday he got his 5s. and his week's salary in lieu of notice, and left our employment.

228. You have had no communication with Jenkins since except by letter?—I have not spoken to Jenkins since. [Jenkins's letter read.] I replied to that that I would inquire into it.

229. Is it true that Jenkins had any conversation with you on the subject of his letter, or the matters referred to in his letter?—No; none whatever.

230. Do you remember Jenkins complaining to you of Mr. Bridson?—Yes; prior to my going to Melbourne Jenkins asked me whether he was under Mr. Newbold's control or Mr. Bridson's control. I told him he was under Mr. Bridson. He said he was sorry, because he thought he could not get on well with Mr. Bridson. I told him that if he could not get on with Mr. Bridson he must leave; that that was all the employment we could give him, and if he could not work with Bridson he had better resign.

231. On that occasion, did he make any complaint of any improper system?—None whatever.

232. All the entries in the yard-book are perfectly correct?—Yes.

233. None of them are excessive?—No.

234. Some of them are under, if anything?—Yes; under, if anything.

235. There are only six items in the journal that appear in the handwriting of any one other than Jenkins?—That is so.

236. I would call your attention to the first item, 20ft. lead pipe?—Yes.

237. The amount charged, 20lb., it is suggested that should be 16lb., making a difference, it is suggested, of 4lb.?—I think the weight there is altogether wrong; lead pipe (1½ in.) would weigh 5lb. a foot. Anybody that gave the least attention to the subject would see that it must be wrong.

238. You say, therefore, that must be an error against you?—Yes, against us.
239. In Burt's invoice an entry would be made. If it weighs 5lb. a foot that would weigh 35lb.?—I should say that is a mistake; that is apparent on the face of it; it is an under-charge.
240. The next item relates to glass, 380ft., 280ft., 180ft.?—The item in our books shows the alteration; it appears to me the original error was 280; the correction that should have been made was to 180, but the clerk, in correcting, inadvertently enlarged the entry to 380. Jenkins was present, and could have called attention to it, but instead of that he took a note of it. I think it would have been the duty of any honest servant to have called attention to such a mistake when it was made.
241. That is reduced to 156ft.?—The trade usage is to charge for glass according to the square it has been cut out of.
242. Leaving a part of the glass waste?—Yes; we simply passed on Tingey's charge.
243. Then, the item sixty-one holding-down bolts?—The holding-down bolts had washers with them: there were forty washers. These washers had to be made 2in. by 1in.; the weight of the washers is included with the bolts. The washers were added in with the holding-down bolts. The weight of the bolts would be about 25lb. Forty-two were charged; the washers being included.
244. But the engineers' bolts by themselves?—That is wrongly charged; it is charged by weight; it should be charged by gross.
245. If the weight were excessive, is it an overcharge?—No; the price charged is 1s. 6d.; it is a fair price.
246. You say it is wrongly charged by weight?—The weight should not appear at all.
247. The amount in itself is a proper charge?—Yes.
248. The next item, twenty-five sheets of lead 12ft. by 4ft. 6in. and 12ft. by 7ft., why is that 300lb.?—The quantity required has to be cut out of the whole sheet; if they had ordered so many feet, so many feet would have been supplied. As it has to be cut out of the sheet it is usual to charge for the sheet.
249. Then, there is voucher 3,311?—That is not an overcharge.

WEDNESDAY, 11th SEPTEMBER, 1895.—(Mr. A. R. GUINNESS, Chairman.)

HUGH MACNEIL, the younger, re-examined.

1. *Mr. Skerrett.*] You were asked yesterday if you could tell the date when Arthur Biddell left your employment?—Since yesterday I have referred to the books of the firm, and I find that the last salary paid by the firm to Mr. Biddell was on the 31st March, 1877.

Mr. Skerrett said it would be in the recollection of the Committee that some doubt had existed as to what was the first order given for the tents. Miss Knight said that the first order given by Briscoe, MacNeil, and Co. for tents was ordered according to the Government samples; but she was unable to say which was, in fact, the first order. She promised to consult Mr. Knight's books, and let me have a copy of the first invoice rendered to the firm. I now produce the invoice sent to me by her pursuant to her promise. (See Appendix.)

Examination of A. W. GELLATLY continued.

2. *Mr. Skerrett.*] The last item we were on was engineers' bolts?—Yes.
3. Turn to item 38, sanitary pipe: that was not referred to by Jenkins, but it is in the Public Works schedule?—Sanitary pipe is made of all sizes and all weights; it is a special line, charged at a special price by manufacturers.
4. Is the same size of sanitary pipe always the same weight?—Certainly not.
5. Is there any table rate for it?—None that I know of. Messrs. Crain and McIlwraith, of Sydney and Melbourne, are, perhaps, the largest manufacturers of sanitary pipe for closets, sinks, lavatories, &c. I have before me a list of their prices, which the Committee can see.
6. You say the weight in this case is approximately correct?—I understand so.
7. Mr. Jenkins, in his evidence, said that you directed the alteration of solid-drawn lead pipe to "sanitary" pipe?—I have no recollection of making that alteration.
8. Mr. Jenkins also said that that was improper and fraudulent, and done for the purpose of getting the price of a sanitary pipe for solid-drawn lead pipe?—I say that sanitary pipe is a special pipe as against the pipe for which we tendered. I can show that from the list I have mentioned.
9. The next is a Public Works voucher, eight sheets of plain galvanised iron, 3ft. 6in., 26 gauge (voucher 2431)?—I say that weight is approximately correct.
10. How would that be as far as the table rate is concerned?—Under any table that I have seen, the weight is approximately correct.
11. *Mr. Montgomery.*] Where was this supplied?
Mr. Skerrett: This item is not mentioned in the evidence, but it is mentioned in the Public Works list; the voucher has been put in.
12. How do you work out the weight of these sheets of plain galvanised iron?—There is a standard weight for plain galvanised iron, which is subject to fluctuations.
13. There is suggested a difference of 12lb.: the original was 1cwt. and 20lb.; the corrected weight, it is suggested, should be 1cwt. and 8lb.?—I should say that under the standard 1cwt. and 20lb. is correct.
14. The next is 2495–2502, three squares of plate glass, 56in. These are the items where the glass is charged at per sheet instead of per foot?—That is wrongly charged; it should be charged at per foot.
15. Would you tell the Committee what sort of an item you consider it?—The item "Glass" starts at 61, in "Paints, oils, and colours." We say that glass cut to any size required should be charged until 66. The only explanation is that the preceding five items are not specified. This is one of the cases where we charge as charged to us.

16. Is that sort of error, in your opinion, excusable?—Yes; it should not be; but it is one of those isolated cases that will creep into anybody's business, particularly when dealing with a schedule of this kind.

17. The next is 87, jumpers and cleaners. That was an item ordered by the Land and Survey Department, 3cwt. and 16lb., reduced to 2cwt. 2qr. 2lb. Do you remember the circumstances? Not at the particular time, but from inquiry I have made it was wrong in charging them together. The cleaners should have been charged separately at so much each; these cleaners we now find are in the schedule under drills. We had no idea at first they were specified in that way. With regard to the jumpers, the matter was discussed between myself and Mr. Ibbetson, and was adjusted: 300lb. was agreed to, including the cleaners, and on that it was paid.

18. Is there not a great deal of waste in the manufacture of these jumpers and cleaners?—Yes.

19. The exact weight of the iron would be greater than the amount charged for; you say the weight was agreed to between Mr. Ibbetson and yourself?—Yes.

20. And it was charged at the correct weight?—Yes.

21. The next is 98, 1 bar of cast steel: you say it is impossible for any one to tell the weight of that steel?—Yes; to a nicety; that depends on the length of the bar.

22. Now, I am going to ask you about the item sash-cord: how many items of sash-cords are there—four?—Yes, four items.

23. Items 42, 63, 97, 105?—Yes.

24. How is sash-cord usually packed?—It is packed in lengths; there is an exhibit here which shows it; it is packed in six pieces. I produce an outside wrapper, showing that in this parcel there are 1,250ft. and the weight 45½lb.

25. Which number?—No. 10; but the number of feet and weight vary: the number of feet varies from 1,150ft. to 1,250ft., and the weight from 40lb. to 45½lb.

26. *Mr. Montgomery.*] There are six hanks?—"Pieces" I call them.

27. It is usual in cordage to order at times the coil—one coil in two coils, and so on?—They are imported that way. I never saw this particular sash-cord imported in any other way.

28. One is attached to the other, and larger?—Yes, it is 50 per cent. larger.

29. So that they are not alike?—Under a previous contract this was an item under the schedule at per gross feet. The "gross feet" was found to be an awkward mode of supplying for the American method of measurement. We had to supply 200ft. lengths. The department in the new schedule put it in per weight, for we buy it by weight.

30. You say that by a previous contract it was per gross feet?—Yes. Per gross feet, as I take it.

31. What do you say is the average weight of these sash-cords made up in two bundles in that way?—As I said, they are made up in six pieces of 40lb. or 45lb.: divide 6 into 45lb. and it will give you 7½lb.

32. The first entry we have to deal with is 30lb.?—Four "pieces"; that is exactly correct.

33. Hanks: No. 10?—We do not recognise "hanks"; if retailers choose to cut it up and sell it in certain lengths and call them "hanks" they can do so.

34. This was supplied in February?—Yes.

35. You cannot call to mind whether it was double pieces or single pieces?—I cannot say; I can only say that if I had an order for four pieces I would supply the heaviest I could find, for we would have the greater profit; we have a good working-profit upon it; it costs us 1s. 4d., and we got 1s. 6d. for it. There is no standard for cordage. The weight charged, 30lb., is absolutely correct; hanks we do not recognise; we sell by length or weight.

36. The next item, four sash-cords—two No. 8, 8½lb., and two No. 10, 9lb.: what do you say to that?—I cannot explain that entry at all.

37. Jenkins says his instructions were to charge sash-cords at previous weight?—I cannot see that at all.

Mr. Menteath: That entry does not happen to be in Jenkins's handwriting.

38. *Mr. Sherrett* led the witness through a great number of entries, particularising respective qualities and weights, upon which the witness said: We had been selling this sash-cord at gross feet; this is the second occasion that the weights have been put in. Previously we had not troubled about weights; when it comes to be charged by weight it should be weighed.

39. Two hanks, No. 8 "B" 14—71/2.

40. Two hanks—10/7, 71/2?—Candidly speaking, I do not think that was weighed at all; the salesman sent it away without weighing it; there is such a conglomeration of figures that it is difficult to follow them.

41. The correct way would be so many hundred feet of sash-line?—Yes.

42. Item 63, two hanks?—Two pieces, 15lb.: that is correct.

43. 105, 75lb., ten hanks?—That entry is wrong.

44. As a matter of fact the weight would be about 20lb.?—I cannot say. I cannot tell, because I have not been able to trace whether ten hanks or ten pieces is meant.

45. Item 29, two lengths of composition pipe—it is charged 1qr. 9lb.?—We take that to be correct. In the computation we say it is correct.

46. Composition pipe, ¾in.; you can take 65ft. to the half-hundredweight; or ¼in., 85ft.?—We obtained that from Alexander and Co., plumbers. That is what we usually get.

47. Then as to blacklead: what do you say to that?—I do not know what was supplied, whether it was loz. or 2oz. packets.

48. One coil of rope?—That fluctuates both ways.

49. Item 45, twenty sheets of No. 10 zinc?—According to computation that is 9lb. under weight; the approximate weight is 17lb.; it should be 20lb., that is under weight.

50. There were reductions made in vouchers as they went through?—Yes.

51. Have you any remark to make as to the frequency of these reductions?—I do not think them frequent; they are to be accounted for by the department reading the schedule one way and the company reading it another way.

52. Voucher referred to by Mr. Wilson, 2268?—Burnt sienna; the department say that should be under 125 in the schedule under the heading "Paints, oils, colours." The explanation is, that in the last schedule sienna was by itself; I suppose that the clerk, not finding "burnt sienna," charged for it at market rate. Possibly the department did right, but we failed to discover "raw" or "burnt" sienna.

53. Item 2,300?—We say that is under 929 in the schedule; $1\frac{1}{2}$ in. to 2in.; we charged 3d.; the department altered it to 2d.; $1\frac{1}{2}$ in. to 2in. would cover this cut netting; we put in 1s. 8d. rabbit-netting at a special price; we hold that the department should pay us that 1s. 8d.; 930 may cover the item, but we say it is not wrongly charged under 929; the difference is only 1s. 8d.

54. Gold leaf at 1s. 6d.?—That should be 1s. $4\frac{1}{2}$ d.; it should not have occurred; it is an error in reading the schedule.

55. Yellow ochre?—We charge £1; Oxford ochre is not yellow ochre; there may not be much difference; the whole difference is, perhaps, one of degree; yellow ochre might be brought under "ochre."

56. Vandyke brown?—That is an error on the part of the company.

57. The next is iron-wire gauze?—The department say that should be under 927; wove iron, 40 17-mesh, 3d.; this was a piece of iron-wire gauze cut to a specific size; what is known in the trade as iron-wove wire is not iron-wire gauze; it was window-blind gauze that was supplied to specific size; I think we should have a special price for that.

58. It is not iron-wove wire?—That I take to be a separate thing; it is on that account we claim a special price.

59. Five squares of glass charged at per sheet: they say it should be charged at per foot?—We import this in 100ft. boxes: we do not break up trade packages at all: if the Government put it in the schedule so that it must be cut to any size, it has to be cut out of a sheet, and the remainder of the sheet is so much waste. It is possible the Government may have put it into the schedule to be charged per foot to simplify matters. It is not specially mentioned that it be "cut to any size."

60. Three lengths of gas-pipe?—That is charged under schedule No. 323. As gas-pipe it is perfectly correct.

61. 2,124?—We say that is a clerical error.

61A. 2,476, picture-cord?—Should be 2s.

62. 2,495, enamel iron basins?—The contract says cast-iron enamel basins: we submitted that to the Inspector. He said he wanted "wrought-iron basins;" we procured for him wrought-iron basins. The suggestion was made by the department.

63. Item twenty-four bibcocks, $\frac{3}{4}$ in.?—That is a non-contract line. It is the same kind of cock that was bought at Mills's, at a special price. They agreed to give us a special price for it. We will probably submit to the reduction. But, I do not think it is fair to be compelled to go outside our own establishment to procure a special description of cock. In our business there are some fifty thousand articles to deal with, and it is impossible to compress the whole into a schedule of one thousand lines. The cock trade is a trade of itself; and the schedule is comprehensive as it is.

64. A gallon of "gold size"?—I cannot find that in the schedule.

65. Fourteen pounds floor-brads?—They are under the two items in the schedule: 130/14s. hundredweight; also, under "nails," floor-brads 2in. to $2\frac{1}{2}$ in.; we say the floor-brad as a nail under 648 is cut out of sheet-iron. What was supplied were wire floor-brads, and the charge is perfectly correct. This is a case where the Government take advantage of a double interpretation and description.

66. The charge, you say, is correct according to the schedule?—The difference is only 14lb., at 4s. per hundredweight equals 6d., which we submit to rather than complain.

67. The next is 2,570?—That comes under nails.

68. 645, one hose-cock?—That is not in the schedule: the hose-cocks start at $\frac{3}{4}$ in.; $\frac{1}{2}$ in. is not an intermediate size, therefore we are entitled to charge the market price.

69. Three dozen drawer knobs?—We say that is at per gross.

70. 24in. fire-guards?—We charged 6s. 6d., we paid 5s. 6d. for them. They were fire-guards not of the ordinary kind; the ordinary kind is usually to cover a fire-grate, but these were to cover the whole of the fireplace; they were not 24in. fire-guards at all.

Mr. Montgomery: How many more of these details are we to have? Have you many more of these items at less than 2s., 3s., and 4s.? Would it not be as well, Mr. Skerrett, if you would go through the schedule with Mr. Reid and the witness, and draw up a statement to include the charges? You and Mr. Reid would have an opportunity of asking any questions, the same as if the witness were under examination.

71. *Mr. Menteath.*] You say, Mr. Gellatly, that Jenkins waited on you some time in the middle of February, solicited employment, and that he mentioned his own terms?—Yes.

72. Did you not mention that the highest terms you could give was £1 15s. a week, and that Mr. Bridson had been working as shipping clerk for that wage; and further, that these were fair terms?—No; I have no recollection that I did so. He voluntarily offered to come to me at 35s a week.

73. Did you not say you might be able to give him some employment if he offered his services at a low figure?—No.

74. You say that he said to you that it would be better to make terms with Ibbetson than to thwart him?—Yes.

75. When was that?—About the 7th May.

76. Do you recollect in connection with what the dispute was?—I think he must have overheard a conversation between Ibbetson and myself respecting the price of coal-tar.

77. Was it not over the matter of these tents?—No; the tent matter was subsequent to Jenkins leaving our employment.

78. It was not about three weeks before Jenkins left your employment?—No.

79. Are you quite certain as to the time?—The first time Ibbetson came to see you about the tents was after Jenkins left your employment?—Yes.

80. You told Mr. Bridson on the Wednesday that you intended to dismiss Jenkins?—I asked him whether it was necessary to keep Jenkins; whether he could not get through the work without Jenkins's assistance.

81. He said he could?—Yes, and he has done so since.

82. When did you communicate your attention to dismiss Jenkins to Mr. Newbold?—On the Friday when he asked whether he should advance Jenkins £1 10s. of his salary.

83. That was in the upstairs office, about 5 o'clock in the afternoon?

84. No, it was in my office about 11 o'clock in the morning.

85. That was the interview in which you first communicated your intention to dismiss Jenkins?—It was about 11 o'clock, in my office, as far as I can remember.

86. Do you remember it distinctly. Suppose it is sworn that the conversation between you and Newbold was close on 5 o'clock in the evening: when you stated that you had received a letter from Jenkins; that you were going to get rid of him; if any one swore that these statements were wrong, would he be swearing what was false?—You do not take me fairly. It was in my office, about 11 o'clock, as well as I can remember. I will swear that it was before lunch time.

87. That was the first time?—Yes; I deny it was in the evening.

88. Did you not show Mr. Newbold the letter in Mr. Morley's room, and say to him, "We will have to get rid of this fellow Jenkins"?—Certainly not; Mr. Newbold knew at 11 o'clock that we were going to dismiss Jenkins.

89. You say it was before you got Jenkins's letter, speaking of these errors in the contract, that you made up your mind to dismiss him?—Certainly; that is obvious; that was why I got the letter.

90. You got the letter, and you sent Jenkins a letter of dismissal, which was delivered to him on the Monday morning, in consequence of the conversation which you had with Newbold on the Friday morning previous?—On the Saturday I asked Newbold to include a week's salary in lieu of notice, and to intimate to him that we no longer required his services. That was on the Saturday morning.

91. You gave him the advance on Friday?—Yes.

92. Is it usual to give such advances?—No.

93. Had you not frequently given Jenkins such advances?—Not to my knowledge.

94. Then it would be an unusual occurrence?—It would.

95. Would Mr. Newbold make these advances?—He would not do so; but that is explained by the fact that during my absence I would allow our financial manager to use his own discretion and judgment. Jenkins came to our employment on the 25th of February and left on the 10th May.

96. A point was made of Jenkins not coming for the balance of his salary on the Saturday?—Yes.

96A. The balance was 5s.?—Yes.

97. He came for the balance on the Monday?—When he did not come for his salary on the Saturday, a note was left on his desk on the Monday morning, so that he should not start work again.

98. He came on the Monday morning and found the note on his desk?—He applied for his 5s. balance; he previously knew that notice of dismissal was going to be served on him, and then he got the notice that he was dismissed.

99. Then he had a guilty conscience, so that he knew he had done something to deserve notice?—I do not say that.

100. You say he was dismissed on the 10th?—Yes.

101. Or was it the 11th—the 11th was Saturday?—Then, it would be the 11th. I received his letter on the afternoon of the 10th.

102. Do you know Bishop?—Yes.

102A. He was in your employment?—He was.

103. Was he in Mr. Morley's office?—No. I do not think that he would be likely to be present at an interview.

104. Was there any one else who came into the office during your conversation with Mr. Newbold?—I do not remember any one coming.

105. You say that the figures in your yard-book are correct?—Yes.

106. In the case of sheet lead, where there has been an excess in the contract journal over what is shown in your yard-book; you say allowance was made for waste in the cutting?—Yes.

107. Why is that waste if it was a genuine allowance; and why is not the waste referred to in your yard-book?—I do not know; it never is.

108. The waste is not delivered to the customer?—No.

109. Lead waste would be valuable, would it not?—It would be worth something.

110. If you accumulated all the waste on cut lead going out of your establishment you would have a fine profit?—We do not cut lead for any one except a Government contract; they should not order it cut in the way they do.

111. You say the schedule is a very complex schedule, so that a great many of the items you could not find until they are pointed out?—Some.

112. Is it not the custom for persons who are skilled in the iron trade to go through a schedule of this kind, item by item, to consider every risk and to fix prices in accordance with an allowance for the risk?—I suppose so; they would go through it to the best of their ability.

113. All these questions of cutting and waste would be considered in going over the schedule?—No, I do not think so.

114. Would you not make an allowance in your prices for cutting?—No; I could not conceive what the department is going to order.

115. You know that you have to supply certain goods by piece?—No; they do not give quantities to tender on.

116. Does it not say that you are bound to supply any quantity that is required?—No, I think not; I do not know the clause.

117. Your dealings with the Government did not commence in February?—We had the Public Works contract before.

118. Do you know that it is the invariable custom to demand such pieces as it requires?—I do not know that, under the contract before, we supplied any cut lead; it was only for this particular job that we supplied this, and we have not supplied it to any one since or before.

119. Would you allow for waste in a case of corrugated iron?—We do not cut corrugated iron; if you ask me in a general way I would say, No.

120. You say you only looked at the contract journal to see that the work was kept up, and for watching totals?—Yes; to see that the work was kept up.

121. Did you not "cost" a good many of the items which were afterwards inked in?—Prior to Jenkins being in our employment?

122. No; after he came into your employment?—I did nothing to the contract journal from the time Jenkins came to us until he went away; from the time he entered our employment until he went out of it.

123. Do not your figures appear in pencil in the cost column?—They might if it came before me, and I was looking at the cost column. I might then pencil something.

124. Do you say that in a business like yours there is no check in weights; these are your figures?—They are; but that was before Jenkins came into our employment. This was a new contract, started 7th February. This is a new book, provided for the purposes of the new contract. I might have given more attention to it when it was understood that Mr. Bridson wanted assistance; but Jenkins being employed, I did nothing towards working this contract.

124A. Do you mean to say you had nothing to do with the weights and prices—did you not look over your business totals?—You have no idea of the extent of our business; our turnover was £95,000 last year; this contract represents about £6,000; that is but the fifteenth part of our business.

125. Did you leave goods, running up to thousands in value, entirely at the mercy of a clerk at £1 15s. a week?—We did; we would only have had to get another clerk to check Mr. Jenkins.

126. Is it not the custom in a contract of this kind to check by what has been described here as "calling back"?—I look upon this contract journal as a "rough book." If we were sure the Government would pass the vouchers entered, we would not need to have it. It is a rough book altogether—only entered up once a month.

127. You get orders from Government which may run to £100, and you allow the weights and prices to be translated to the vouchers which you send in to the Government, and leaving the whole costing to a clerk at £1 15s. a week?—There is no costing.

128. You leave the amount you are to receive at the mercy of a clerk to whom you paid £1 15s. a week?—Jenkins was under the supervision of Bridson; the same would apply to any entering clerk in any store in Wellington.

129. Although you may have a peculiar system of your own, do you know of any other business or any other house that would leave its business to a responsible officer at £1 15s. a week?—I do not know of any other contract business.

130. What do you say about collusive vouchers? Suppose a clerk at £1 15s. a week had entered into a conspiracy with an officer of a public department, or with a private customer, to send in overweights, could not that have been done to the extent of some hundred pounds without detection?—I suppose it could.

131. There is no check on that?—No immediate check; we must trust to our employes to a certain extent.

132. Your business is carried on, you think, on satisfactory lines?—Yes; satisfactory in my opinion.

133. You are hardly making any profit out of the Railway contract?—I cannot say.

134. In April you made 3 per cent. and in March still less, and you make up your profit on the goods supplied to Public Works?—We might have a good profit from the Railways this month, and a bad one from Public Works; or the other way, we may have a bad profit from the Railways and a good one from the Public Works.

135. You will not deny that the Railway contract yielded 3 per cent.?—I have not looked at the profit for the month.

136. But you say it was on the whole very good?—Yes, it was fair on the whole.

137. If you were making 3 per cent. in April and less in March, working expenses would have to be paid all the same?—We might supply a quantity of goods to the Railways on which we would not require 3 per cent.; it would depend on the execution.

138. As to the alteration of solid drawn lead pipe to sanitary pipe, in the contract journal, that was done by your direction?—I do not remember.

139. If Jenkins swears you did, you would not contradict him?—I will swear that I never instructed Mr. Jenkins to alter it.

140. Then you do say the alteration is correct?—It is a correct alteration.
141. You say that sanitary pipe is not a contract line?—I do.
142. It is charged £1 8s.?—Certainly.
143. Lead pipe, £1 to £1 4s.?—£1 the schedule price; there is no lead pipe at £1 4s.
144. Sanitary pipe £1 4s. or £1 8s. according to gauge?—There is no rule for charging it either £1 4s. or £1 8s.
145. What makes the difference?—I cannot say.
146. Would you charge by mere caprice?—Caprice, if you like.
147. In some cases you would charge £1 8s.?—Yes.
148. And in some other cases £1 4s.?—
149. You made allusion to Mr. Dawes; you stated there was collusion between Dawes and Jenkins?—I do not know that I said that. Jenkins stated that he went to Dawes to see if there was any chance of one charging for goods twice. I did not charge him with collusion. Jenkins himself stated that he waited on Mr. Dawes.
150. The jumpers and cleaners were invoiced at 252lb.?—I do not know that.
151. You have seen the invoice?—No; I would take it so, if I saw it.
152. They were charged at 352lb.?—Yes.
153. Then you say there was an agreement between yourself and Ibbetson that they should be charged at 300lb.?—Yes.
154. Did you inform Ibbetson that the correct weight was 252lb.?—No, I did not. I said they were wrongly charged by weight; the cleaners should not have been included with the jumpers.
155. But the weight of the cleaners and jumpers was 252lb.?—I could not say that; if they are invoiced at that the invoice should be correct.
156. Is that the way you pay for weight?—The jumpers are charged at lump sum, £2 12s. 6d.; there is no rate or weight or anything of that kind about it.
157. But there is a statement of weight there?—Robertson and Co. charged a lump sum.
158. You were bound to supply things of that kind by weight?—No.
159. In your explanation about the sash-cord you said you supply by "piece," although the goods were ordered per hank, yet you supplied by "piece"?—We charge by weight; it is not a question of hank—single hank or double hank.
160. Do you know the sash-cord at the Stock Inspector's house?—I understand there has been a computation of weight on the basis of a single hank.
161. You do not supply by hank at a rate for the piece?—If they were asked for a hank they could supply 100ft., 150ft., 200ft., 250ft.
162. You were unaware of these reductions going on?—Yes.
163. You have not got the voucher book?—Yes.
164. That shows the original voucher sent out, and the amount which is paid for?—Yes.
165. Are there not a great many alterations in vouchers sent back?—I do not think so. There are no reductions in February; in March the reductions amount to 14s. 3d.; in April there are no deductions at all; in May the reductions amount to £27 1s. 8d.
166. Are these all the reductions; those we have had this morning?—I would not say that. They include the vouchers for the Railway, as well as the Public Works?—Yes.
167. You have separate voucher accounts for separate departments. Have you a voucher for the Marine Department?—I could not say that. I do not think we have; if so, the Marine Department would be a separate contract.
168. You say that you knew nothing about these errors from the return of the vouchers until after Mr. Jenkins left?—I say that the vouchers were not returned to me; some of them may have returned to Mr. Bridson; I saw nothing of these larger reductions until after Mr. Jenkins left our employment.
169. Before you had any intimation of complaints from Ibbetson, or complaints from him or other officers of the departments?—Yes; Ibbetson saw me about the jumpers after he left; it was prior to his leaving we had the talk about the coal-tar; that is a non-contract item.
170. *Mr. Reid.*] You say you were away from the 15th of March until the 20th of April?—Yes.
171. Prior to your leaving the colony, was any representation made to you as to the way Jenkins was doing his work?—None whatever.
172. Had any voucher been returned from any department at that time?—No.
173. To whom would they come?—They would be handed in to Mr. Bridson. Jenkins might have seen them before they were handed in to the departments; but Bridson is the man in charge of the supply to the Government departments under the contract; he would probably adjust them; in extreme cases they would come to me.
174. Would he adjust the account and take payment?—He would simply adjust them. We have perfect confidence in his working this contract according to the specifications. It might be that alterations would be made during the month.
175. You said that Jenkins came to you, and, after speaking to you about Ibbetson, you came to the idea that he was in collusion with Ibbetson?—When Jenkins waited on me he said that he had waited on Ibbetson.
176. You told Mr. Skerrett that when Jenkins came to you, and spoke about this charging of the voucher, you came to the conclusion that he was in collusion?—He has said he had waited on Mr. Dawes. I came to the conclusion that he must have been in collusion with Ibbetson; and two days after he had been in the employment, we now find, he waited upon Mr. Dawes. I say that is not honest treatment.
177. You said that Jenkins suggested your making terms with Ibbetson?—Yes.
178. Did you come to the conclusion that Jenkins was in collusion with Ibbetson?—He said he had had conversations with Ibbetson.

179. Did you believe his statement?—That he had conversations with Ibbetson, Yes.
180. Do you believe it now?—Yes.
- 180A. Do you believe it now that there was any collusion between Ibbetson and Jenkins?—I think Mr. Jenkins informed Ibbetson about weight of jumpers.
181. You do not mean to say or to suggest that Ibbetson was getting anything out of the contract, or Dawes?—No.
182. For when you say collusion with two officers of the Government it means a great deal?—If they had been looking after their departments they should have had no conversation with him at all.
183. Mr. Ibbetson was the gentleman who wrote about the tents?—Yes.
184. I think you wrote a letter to him asking him to withdraw his words?—I was open to discuss the matter of the tents with him if he had not asserted that he knew all about the tents.
185. You have seen a number of the alterations in the vouchers in this contract?—The returns are greater or less; greater to the extent of about 1 per cent. I attribute that more to the new schedule. It takes a little time to get into the working of any new schedule.
186. Now, in reference to the contract journal, you took no particular notice of that after Jenkins came into your employment; what was your practice in going through the vouchers—returned book?—I had no practice about it. I occasionally looked at it.
187. You say you looked on the contract journal as a “rough book”?—Yes.
188. Did you trust the officers of the departments to correct your vouchers?—They took the right to say what the weights and rates and quantities should be. If we entered it up daily we would have a larger percentage of alterations by way of returns and exchanges.
189. Do you rely on the Government check in your business?—The check is a very severe one, and they reserve to themselves the right to alter it.
190. *Mr. Montgomery.*] With regard to the sash-cord: as a matter of fact, the evidence shows that hanks were supplied, and not pieces?—I cannot answer that at the moment.
191. Nine hanks sash-cord, 100 yards long each hank?—That is the Stock Inspector’s house at Woodville. Judging it as ten single hanks the weight would be 20lb.; 75lb. is absurd.
192. Is there any evidence to show that double hanks were ever sent. Have you reason to suppose they were sent?—We have reason; we have supplied pieces.
193. When they asked for a hank would you supply a piece?—If I had to do with it I would supply a piece, to get the benefit of the larger quantity supplied. If four of these were supplied the weight would be 30lb. I cannot say whether single hanks or pieces were supplied; single hanks would be charged as 100 yards. I understand that weight was charged “as last.” That shows Jenkins did not know what he was charging if he charged eight for ten, or ten for eight. The weight must be put down on the basis of ten.
194. Then your assumption is that Jenkins had followed out instructions to charge as before?—He seems to have charged as before without knowing what he was charging.

FRIDAY, 13TH SEPTEMBER, 1895.—(Mr. GUINNESS, Chairman.)

GEORGE CECIL RUSSELL sworn and examined.

1. *Mr. Skerrett.*] You reside in Wellington?—At present.
2. You are acquainted with Jenkins?—I am. I have known him for between five and six years.
3. You prepared a statement of certain alleged overcharges from information supplied by him?—Partially supplied by him.
4. Will you explain how you came to prepare that statement?—I prepared it in response to a request by Mr. George Hutchison.
5. Do you know why Mr. George Hutchison should have come to you for the preparation of documents?—Yes; because I had originally gone to him.
6. Will you tell me what induced you to go to him?—Because I was anxious to assist Jenkins to obtain an inquiry into the charges he had made.
7. Why?—Because he asked me to.
8. Have you any reasons why Jenkins came to you?—We are, in a way, brothers in affliction, and both out of work. He has asked my advice before.
9. Is that the true reason?—It is the true reason.
10. Is it not a fact that you are a connection of a previous contractor to the Government?—I am not familiar with the names of all the previous Government contractors.
11. You are a connection of Mr. Mills?—I am his son-in-law.
12. Did you have any communication with Jenkins when in Briscoe and MacNeil’s employ?—I saw him twice.
13. Did he then communicate to you matters connected with the business of Briscoe, MacNeil, and Co.?—No; certainly not. That I swear most distinctly. The first time he mentioned Messrs. Briscoe’s was the 16th May.
14. Am I paying you a compliment when I say you are responsible in a large measure for these charges?—No; I certainly am not.
15. Responsible for their being investigated at present?—I introduced the matter to Mr. Hutchison.
16. Upon information supplied to you by Jenkins?—Yes; partially.
17. Have you communicated any information to persons outside as to these charges?—I have spoken to other people on the subject.
18. To a great many people?—No, not a great many.

19. Have you put it about Wellington that Briscoe, MacNeil and Company have been proved to have been swindling the Government, and getting vouchers passed?—I have not said it was proved.

20. Did you refer to any special charge?—I have said that a lot of charges were made, and were being investigated.

21. Have you made any communication to the Press in any part of the colony about this?—No.

The witness, having obtained leave to make a statement, said: I would like to explain how it was that Mr. Jenkins has spoken to me on the matter. On Thursday, the 16th of May—I am able to fix that date promptly, because on that day the Frisco mail left, and I came down to the Post Office and met Mr. Jenkins in the street. At that time he had been in Briscoe, MacNeil and Company's employment, but I had not seen him for some time; and I said, "What are you doing out at this time of the day?" He said, "I have got the sack." I said, "What have you been doing now?" He said, "Have you an hour to spare?" I said "Yes," and we walked along towards the Government railway-station. He said that he had found an overcharge in some of the items charged to the Government, and had informed the manager, and had got discharged; and he asked me what I would do under similar circumstances. I said, "Put it in the hands of the Public Works Department." His reply was that he had done so already. Some days after I met him again, casually, and asked him if he had done anything in the matter, and he said that he was between two difficulties, an action for libel on the part of Briscoe, MacNeil, and Co., and an action for conspiracy to defraud the Government. He asked me if I could help him. I thought that a Parliamentary Committee was the best thing to inquire into it, and I went to Mr. George Hutchison. I afterwards met Mr. Hutchison, and he asked me to give him further details about the matter with Jenkins. I got the details from Jenkins, and from my copy of that, and from the schedule of prices of Briscoe, MacNeil, and Co., I made up the three last columns of the statement. That is what I mean by saying that the document was made up from information partially received from Jenkins.

22. Did Jenkins tell you anything about Bridson having altered slips of paper as to weights?—He told me, as far as I can remember, that the weights in the two books did not tally. But he did not tell me how it was they did not tally.

23. Did he mention that he had put the correct weights on slips of paper, and that Bridson altered the weights on the slips of paper and told him to enter them? Did he ever tell you that he objected to Bridson about the overcharges?—He never mentioned Bridson's name to me.

24. Did he ever tell you that he had told anyone about these overcharges?—He merely said he had written to Gellatly on the matter.

CORRAN BRIDSON sworn and examined.

25. *Mr. Skerrett.*] What are you?—I am an ironmonger.

26. What position do you occupy in the employ of Briscoe, MacNeil and Company?—I have charge of the town trade and contract work.

27. Did you ever have any conversation with Jenkins while in the employ of Briscoe, MacNeil and Co., as to false charges in respect of weights?—No.

28. In respect of any other false charges?—Never.

29. Did he ever hand you slips of paper on which the correct weights were stated, and did you alter the correct weights by increasing them, and hand back the slips to him?—No.

30. Was the journal called over with the rough book or the order-book?—With the rough book; at times it was called back.

31. Who held the rough book?—I did.

32. Who had possession of the journal?—Jenkins.

33. What was the object of calling back?—Just to see that the entry was made.

34. To see that there were no omissions of any articles supplied?—Yes.

35. Were the weights compared?—The weight was very rarely in the rough book.

36. Where was the weight obtained from?—Of certain lines, from the iron-yard book.

37. Who would obtain that weight?—Jenkins.

38. Did you have a conversation with Jenkins as to scrim on one occasion?—I did.

39. What conversation was that?—On looking through the book I found that he had squared the yards of scrim where it should have been lineal yards. I told him so, and the remark he made was to put it down to the new clerk; the voucher had gone in, and perhaps it would pass.

40. Was that the only conversation you had with him on the subject of excessive charges?—I believe it was.

41. Did you know that weights had been carried in from the yard-book into the journal, and from your book into the journal at increased weights?—No; I did not.

42. Not until the commencement of this inquiry?—No.

43. The entry in regard to the glass is in your handwriting?—Yes.

44. Do you remember the entry to which I refer?—Yes.

45. Will you explain how 380ft. was charged instead of 180ft.?—That is a blunder on my part. I computed the number of feet at 280 before I got the invoice; and on going through it after I got the invoice I have noticed the mistake, and, instead of taking off the hundred feet, I have evidently added another hundred.

46. You swear that that was purely a clerical error?—Yes.

46A. The only other alteration in your handwriting is with regard to some sheet lead?—Yes.

47. Now, that sheet lead was altered so as to charge the Government that weight?—Yes.

48. That is the principle of that alteration?—Yes.

49. Will you explain why you made that alteration?—It was an awkward piece of lead, and we had to cut the sheet and leave a lot of waste that was of no use. I believe I told some of the Public Works employés that they could have the waste lead if they liked.

50. In private orders do you cut lead?—Never.
51. For no private customer would you cut lead?—No.
52. The same applies to glass, I presume?—Yes.
53. Now the entry of the holding-down bolts was in your handwriting?—Yes.
54. What is your explanation of the entry?—I have evidently sent a boy to weigh them, and he has weighed the washers in with the bolts and given me the total weight, and I have put that in as the weight of the bolts.
55. The washers are charged separately are they not?—Yes.
56. Washers being a non-contract line?—Yes.
57. With regard to the jumpers and cleaners, will you explain what happened with regard to that?—I made out the weight for the jumpers and cleaners on the amount of iron that I reckoned it would take to make them. There was a lot of iron cut to waste, and I included the weight of that in the weight I charged.
58. What happened consequent upon that?—Ibbetson came to us, and said there was evidently an overcharge, and I went into the matter with Mr. Gellatly, and he decided to make a reduction.
59. The amount charged was on 300lb.?—Yes.
60. Did you have Robertson's invoice at this time?—No.
61. Did Mr. Jenkins ever call your attention to any excessive charges in glass?—No; never.
62. Or in any other matter?—No; never.
63. Do you remember the circumstances leading up to Jenkins's dismissal?—Yes; I have a recollection of it.
64. He was dismissed on Saturday or Monday, the 11th or 13th of May?—Yes.
65. Did you have any conversation with Mr. Gellatly prior to that date?—I believe I had.
- Mr. Menteth*: I do not see what Jenkins's dismissal has got to do with the matter before the Committee.
- The Chairman*: Any conversation between this witness and Mr. Gellatly, strictly speaking, would not be admissible as evidence; but there is a good deal of that sort of evidence that has been put in on both sides.
66. *Mr. Skerrett*.] What conversation did you have, and when?—I had a conversation with him on the Friday night that he got the letter from Jenkins.
67. Did you have a conversation previous to that?—I had a short conversation with him on the Tuesday or Wednesday.
68. What was that conversation about on the Tuesday or Wednesday?—I think that was the day that Mr. Gellatly had been out to my desk, and had gone through my book, and Jenkins had offered some suggestion to him.
69. Who told you?—Jenkins.
70. Give us what Jenkins told you?—He told me that Mr. Gellatly had been out there during the lunch-time looking through the book, and had said the thing was not working very well; and that he (Jenkins) had offered some suggestions, and Mr. Gellatly had sat upon him.
71. *Mr. Montgomery*.] What do you mean by the thing not working very well?—That the contract was not a very payable concern.
72. *Mr. Skerrett*.] And Jenkins made some suggestion to Mr. Gellatly, and Mr. Gellatly sat upon him?—That is what Jenkins said.
73. You saw Mr. Gellatly that same day?—Yes.
74. And what took place between him and you?—He asked me if I could do without Jenkins, and I said "Yes, I could."
75. Did he say anything to you then with regard to Jenkins, as to his leaving?—Yes. He told me I might just break it to Jenkins, and let him know that I had too many assistants with me, and that somebody would have to go.
76. And what did you do then?—I told Jenkins in the afternoon.
77. What did you tell him?—I said that Mr. Gellatly had said I had too many assistants, and that some one would have to go, and I would not be surprised to find that he was the one.
78. On Friday was anything said to you by Jenkins about a letter?—Jenkins showed me a letter on Friday.
79. That was the letter saying he had complained to the Minister for Public Works?—Yes.
80. What did he say when he showed you that letter?—He said he was very sorry, and that he had to do this under compulsion. I said I would not have anything to do with the matter, and told him he ought to hand the letter over to Mr. Gellatly.
81. You were afterwards shown the letter by Mr. Gellatly?—Yes.
82. *Mr. Montgomery*.] What do you mean by "compulsion"?—That is what he said.
83. *Mr. Skerrett*.] Was that what he said?—Yes.
84. That he was obliged to act under compulsion?—Yes.
85. You said he had better hand the letter to Mr. Gellatly?—Yes. I read the letter before I said that.
86. Had you previously had any occasion to complain to Jenkins of his conduct while in the employ of the firm?—Yes, I believe I told him one day that he was not conducting himself at all well.
87. What was the conduct of which you complained?—His attitude towards me was what made me speak to him.
88. I think you have taken out some figures from the journal, showing the amount of vouchers rendered during the months of February, March, April, May, June, and July?—Yes.
89. They show the total amounts of the vouchers for those months, at what?—£3,434 1s. 4d. for Public Works, and £2,013 2s. 10d. for Railways.

90. Do you remember obtaining an order for tents for the Land and Survey Department?—Yes, I do.
91. At this time Mr. Gellatly was absent, I think?—Yes; he was in Melbourne.
92. *Mr. Montgomery.*] Do you remember the date?—Late in March; I do not remember the exact date.
93. *Mr. Skerrett.*] What did you do consequent on this order?—Upon receiving the order I went down to Knight's about the tents. Miss Knight came out, and I asked to see her father. She went inside and came out again and said her father was engaged. I told her I had received an order for tents from the Survey Department, and asked her could they do them; she said she would see. I asked her what the price would be, and she quoted me a price; and I said I wanted something lower, as I could get them in Dunedin at one-half lower than the price she quoted. She then quoted me a price too low, and after that quoted me a price that we agreed upon.
94. Were the tents made up?—Some of them were.
95. Were they sent to you?—A boy brought them along in a hand-cart to our store, and they were taken from the hand-cart and put on our dray and sent to the station.
96. Was this as supplied ordered by you from Knight's?—It was.
97. You say you are certain that was the first order given by you to Mr. Knight?—Yes; I am positive about that.
98. Are the tents mentioned in the invoices of 28th March and 1st and 2nd April the same tents that were supplied to the Government?—Those of 28th March and 1st April are.
99. They were the first tents, with the exception of one, ordered by you from Knight?—I do not remember ordering one previous to that; I think that was the first order.
100. There was one ordered previous to that, on 5th March. Did you order the tent of 5th March?—I have no recollection of it. I do not think it was for the Government; I think it was for a private customer.
101. You never got an order from the Government for one tent?—No.
102. Therefore you say it was not for the Government, but for a private person?—Yes.
103. You say distinctly the first lot of tents supplied by you and ordered from Knight for the Government were on March 28th and April 1st?—They were.
104. Had you ever seen the sample tent deposited with the Public Works Department?—No, I had not.
105. Now, Mr. Jenkins said here that you had given him verbal instructions to alter weights, is that true?—No, that was not so.
106. *Mr. Menteach.*] In the case of jumpers and cleaners, you say Robertson and Co.'s invoice had not been sent in at the time the voucher was sent?—I said so.
107. That is Robertson and Co.'s invoice you see there?—Yes.
108. Do you see the date of that, on making out the invoice?—30th March.
109. Now, that would be the approximate date that that invoice would reach the office?—No, I think not. Robertson is very lax in sending out his invoices, and very often we get them with his statement.
110. You see the date on which these goods were supplied?—March 30th.
111. Would that not be that the invoice was sent along with those goods; that they were forwarded at the same time?—No; it was not. I believe I had to send round to get those invoices from Robertson.
112. So, of course, that date at the head of the invoice is incorrect?—It is not the date on which the invoice was made out.
113. Was that Robertson's habit of making out invoices?—He would not make them out until asked for.
114. Would he put the same date at the head of the invoice as to the particulars?—Yes.
115. Does that not show the date on which the goods were supplied?—Not always.
116. I suppose it is the custom in the trade?—If any one came to me for an invoice I would date it on the day the goods went away, whether it was then or a month hence.
117. Look at the voucher, Exhibit 71: in whose handwriting is that?—In Jenkins's.
118. You see the date in the margin?—April.
119. That was the day on which goods were supplied to the Government, was it not?—I believe so.
120. That voucher would be made out some little time after?—Yes; I believe it was.
121. So that the goods were supplied to the Government in April, and the original voucher was made out some time afterwards; and yet you say that this time you have no knowledge of the weights given in Robertson's invoice, although his invoice is dated 30th March?—I believe that is correct.
122. You say that you told one of the employés in the Public Works Department that there was some waste lead—I am referring now to the milled lead. You say you told some of the employés in the Public Works that there was waste which they could have if they liked?—That was so.
123. Which employé?—I believe it was a man named Kermode.
124. Where?—He is in the Public Works employ. I do not know where he works.
125. How was it you selected him from the Public Works Department employés to impart this information to?—He is an Inspector, and often came up to our warehouse to inspect goods before being supplied to the Department. That was the most likely person I would have said it to.
126. Will you swear you spoke to him?—Not definitely, it would be either he or Mr. Young.
127. Who is Mr. Young?—He is the Public Works Storekeeper.
128. Where?—In Wellington.

129. Now, did you tell Kermode, or Young, that you had over-weighed three hundredweight of lead by three quarters, in order to provide for the waste in cutting?—I said I had waste lead there and it was no good to us, and which I intended to charge the department for.
130. And did you tell him the amount of this waste?—No.
131. Do you think whoever you spoke to on the subject would have allowed you to charge three quarters for three hundredweight, for this absurd excuse. I do not think it is an absurd excuse.
132. Do you think any one to whom you mentioned it would have allowed you to overcharge to that extent?—I believe they would.
133. You swear it was either Kermode or Young to whom you told the story?—I believe so.
134. Will you swear it? Will you say without any hesitation or doubt that you told either Young or Kermode?—I made that statement and I adhere to it.
135. You supply sash-cord by the hank?—No.
136. What do you charge it at?—By weight.
137. Did you put any entries in the books, or in the vouchers, of hanks or pieces against the entries?—You know these books?—There are “hanks” written in here.
138. *Sir R. Stout.*] In whose handwriting?—A man named McIntosh, whom I had with me then.
139. *Mr. Menteath.*] As a matter of fact, you always charged by the hank in dealing with the Government?—I believe it is the rule to enter it as hanks.
140. Page 29 of the contract book; look at the figures in the gross column—whose are they?—I believe they are Mr. Gellatly's.
141. You were responsible, were you not, for the conduct of this contract?—Yes, I believe I was.
142. Mr. Gellatly has told us that there was no system of checking the weights and prices in the firm's books; no system known as “calling back” the book.—There is no system known as “calling back” the books.
143. Therefore, you exercised no check upon a person weighing and sending out the vouchers?—No.
144. Although the contract ran into many thousands of pounds, according to your figures here?—Yes.
- 144A. In the firm of Briscoe, MacNeil, and Co. you send out goods to the value of thousands, and you exercise no check upon the clerk hired at 35s. a week?—I did not do so.
145. And you tell us that is the system pursued by the firm of Briscoe, MacNeil and Co., that there is no system of checking at all, although the firm has been in existence for 150 years?—[No answer.]
146. How comes it, then, that your figures are scattered up and down the books, if you had no check?—Very often I had to price lines myself. It was presumption on Jenkins's part to do any pricing at all.
147. Was he not under your orders?—He was not told to do any pricing. All he had to do was to put in the entry and make out the vouchers and extend the items.
148. Then the pricing of goods, when sold by weight, was your duty?—No; it was merely filling in the charge, weight, and quantity, as the goods might be, and I would price them.
149. Why did you sometimes alter the weights?—I did not.
150. You altered the weights in the case of milled lead?—I do not think that had been entered in. If that weight had been entered in, I made up milled lead to the amount cut to waste.
151. In the contract journal, on page 25, in whose figures is the alteration?—I am not sure that it is mine.
152. On page 104 in the order-book, whose handwriting is that?—That is the piece of lead, I believe, that I computed to make up for the waste. They look like my figures. I will not deny that they are mine.
153. Well, now, you seem to have found it to be within the scope of your duties to alter the weights in that instance?—As I have already explained, I think I did.
154. Was it or was it not your duty to exercise supervision over weights as well as over prices?—I believe it was, but I had not the time.
155. And yet Mr. Jenkins, you told us, was dispensed with because you had too much clerical assistance?—Trade had fallen away, and Mr. Gellatly asked me if we could not do without him. I said, Yes. Since then it meant that I have had a lot to do, and could not get through it in the day, and have gone back at night-time.
156. You say you had too much work to perform the duties, and yet voluntarily renounced an efficient hand like Jenkins?—I had too much assistance at that time. I did a lot of town travelling, which, since Jenkins has gone, I have not been able to do.
157. Was the whole pricing done by you throughout the contract journal?—No.
158. Who was it done by?—A good deal was done by Jenkins.
159. Was not pricing done by anybody else?—I do not remember anybody else doing any. Mr. Gellatly was the only other person, and I do not think he did any.
160. You say the pricing was done by Jenkins?—Yes.
161. Did you reprove him for this presumption in doing it?—I believe I made a remark one day that he had better leave it for me.
162. And yet you had not time to do it?—I would have made time.
163. Jenkins was under your orders?—Yes.
164. You had the remedy to dismiss him at once?—I had that power.
165. And yet you allowed him to do a very large proportion of the pricing throughout the contract journal, although it was not his duty to do so?—Yes; I believe I did.

166. In Exhibit 79 are those figures prepared by you?—It is not my handwriting, but I have gone through them.

167. You can vouch for what is contained in your books?—Yes.

168. Do they relate solely to the Wellington trade, or are they the totals of Wellington and Dunedin?—Wellington alone.

169. How much of those goods were delivered to the Public Works Department and how much to outside departments?—It is impossible to say, unless I went through and made out a return.

170. The Railway Department, you say, have received £2,013 out of a total of £5,448?—Yes.

171. You cannot say how much of the balance of the £3,435 had been represented by vouchers sent in to the Public Works Department in Wellington?—Not unless I make out a return.

172. Therefore, if Mr. Wilson, the Engineer in charge, swears that the proportion of goods sent out by you to the Public Works Department in Wellington is one-third of the total, you cannot say whether he is incorrect or not?—No.

173. Would you say that more than one-third of the goods which you show as having been sent to the Public Works Department were sent to that department in Wellington?—I cannot say.

174. You say you never saw the sample tent that was sent in on which the Government tender was made?—No.

175. Is it the custom in your firm, when contracting, for an officer whose duty it is to see the contract carried out never to see samples?—No, it is not. I ought to have examined the tent before I sent on the order, but there was pressing need for it to be sent away at once, and I went to Knight's and told him they were urgently required.

176. You heard Miss Knight say you asked for a second quality tent?—Yes.

177. And do you say that you asked for the tender quality of tent in this instance?—Yes; I think I went there and told her that I had an order for tents for the Survey Department. She quoted me a price which I said was too high, and that I could buy it at half the price in Dunedin. She then quoted another price, which was too low. I asked for a better quality, and she quoted the medium price, at which price I ordered.

178. What was the medium price that she quoted to you?—The price I bought at.

179. That is Knight's invoice?—Yes.

180. You have marked them with the tender-price opposite?—Yes.

181. Were you not shown at the end of that invoice that there must be some mistake?—No; considering that Christchurch, Invercargill, and Dunedin have got tents at lower prices than those.

182. Did you think that on each tent a profit of 7s. between the invoice price and the price charged by you was a fair profit?—Well, our tender was accepted. There was no need to put it in at a lower price. They had accepted our price. We could get tents in Dunedin at far lower prices than the prices charged in this case.

183. You knew that Knight was tendering against you?—I know now, but I was not aware at that date.

184. There is an alteration, I believe, in the order-book in the weight of sash-cord?—I do not remember one.

Mr. Skerrett: There is one alteration.

185. *Mr. Reid*.] You tell us, Mr. Bridson, you were in charge of the journal for the Government contract?—It was under my supervision.

186. Did you start the journal with Jenkins?—No, I did not.

187. Who started it with him?—It was started before Jenkins came into our employ.

188. Who gave him instructions as to the entries?—I believe I would give him instructions.

189. Can you tell us from memory what the instructions were as to duties in this journal?—I do not remember the exact instructions, but the general thing was to enter up every day's work as we went along.

190. Did you tell him where to get the material from for the entries?—Yes, I showed him the rough book, where the orders were entered when they came to us.

191. Who made the entries in the rough book?—Well, nobody in particular. Of a morning, when they came in, I would hand them to him and tell him to enter them, in some instances. In other instances I would enter them myself.

192. Who usually received these orders from the Government?—Well, I am supposed to be there to receive the orders.

193. Who does receive them?—I do, in the majority of cases.

194. Are they delivered to you or posted?—The Public Works orders are generally delivered.

195. When you receive an order, who do you give it to, as a rule?—As a rule, I give it to my assistant, Coleman.

196. Where is it first entered?—In the rough book.

197. What is entered in the yard-book?—All heavy goods are entered there.

198. How would they come to Jenkins's hands?—He would have to get the yard-book and copy the entries.

199. Would that be given to him?—It would be either given to him or he would find it on the desk, and make his entries from that.

200. Having made the entries, who makes up the accounts to be sent to the Government?—In some instances I have priced them; in other instances Jenkins has priced them.

201. But who makes up the accounts to extend them?—A clerk extends them; Jenkins did it when in our employ.

202. Jenkins, then, would extend them, and make out the vouchers for them?—Yes.

203. Did you exercise any supervision over these vouchers at the time he was sending them out?—I did not have a very minute examination of them. I just glanced through them. I saw that he was pretty smart at figures, and that was about all I did.

204. When the vouchers were returned, to whom would they come?—They would usually go to Mr. Gellatly, and he would hand them to me.

205. Were they usually delivered, or did they come by post?—If town work they would be delivered.

206. I am speaking about town work?—They came to me.

207. Does not town work constitute the majority of orders from the Public Works?—Yes; I believe it does.

208. Then, you would get most of the return vouchers?—Yes.

209. Would you see where there was any correction made in them; when a corrected voucher came down, what did you do with it?—I generally looked into the matter, and would make the correction myself.

210. During Jenkins's time, would you get any corrected vouchers?—I do not remember that there were any given in.

211. He was there with you from February to May?—I do not remember any coming in his time. They very rarely came down.

212. You received no corrected vouchers from February to May?—I do not remember any coming down for correction.

213. I understand that corrected vouchers come to you?—No; the way that is done is this: The Public Works officer whose work it is to check these vouchers corrects and passes them on to another department, and our accountant, when he goes down to be paid, sees them, and makes a note of the corrections.

214. They do not go to you at all?—One or two were sent to me, and that was all.

215. It was only when the accountant went to get payment that it was noticed?—Yes.

216. Was the accountant under you?—No, he is in a different department to mine.

217. Do you remember the first occasion on which the accountant went to the office and found a corrected voucher—the one reduced in amount?—I do not remember.

218. Did the accountant ever tell you that it was very large?—He has told me that every time he went there was either a reduction or an addition to the voucher.

219. When did he first tell you?—I cannot say.

220. Has he told you that on more than one occasion?—Yes.

221. Did you ever represent this to Mr. Gellatly?—No; I do not think I did.

222. Has the accountant ever complained about the alteration?—No, I do not think so.

223. Did you not think it was strange to have these alterations?—I know that I often read the contract in a very different manner to that in which the Public Works people read it, and that accounted for the alterations in many instances.

224. As to this waste lead, do you know the extent of waste cut? you have told Mr. Skerrett that it was an awkward piece, and you told the Works employes that there was a waste: do you know the extent?—Not the exact weight, but there was a great deal of it. We had one or two rolls of it lying in the yard.

226. Was it ever taken away?—I do not think it was; I believe I sold it for scrap-lead.

227. With reference to Robertson's voucher, you say that Ibbetson came down; do you remember when he came?—It was some time after the voucher had been rendered that Ibbetson came down, for he had to send the voucher to Hunterville, I think, where the works were going on, and it would be some time before the voucher was rendered and came back to town.

228. Then, he came down to you?—Yes.

229. Have you any recollection when Robertson's was delivered?—I cannot say for certain; it is the usual thing to receive invoices late, and I never take any particular note.

230. Can you say whether Robertson's invoice had come to hand at the time you saw Ibbotson?—No; I cannot say positively; I have no recollection of getting Robertson's invoice.

231. Looking at the time it would take for the voucher to come down from the country, and the time of Ibbetson coming to see you, do you think it would be probable that Robertson's invoice would be in by that time?—Yes; I think so.

232. By the time Ibbetson came down you would know what was the actual weight of the jumpers?—Yes.

233. Robertson's invoice showed 253lb. ?—Yes; I believe it was something like that.

234. And yet you thought fit to make the arrangement for 300lb. ?—We made the arrangement without having seen the invoice; we came to an arrangement while he was there. I took it for granted that it was correct.

235. As to the tents, you put in the figures against the price charged in the invoices?—Yes; those are my figures.

236. That is the contract price?—Yes.

237. And you say you were not aware of the quality?—No; I was not.

238. Do you swear that you positively ordered these tents, and had them sent up to the works without seeing them?—I never saw them.

239. Nor knew anything of the quality?—No.

240. And yet charged them as higher quality?—We only have one quality. As I explained, seeing that Dunedin and other places were so low in tents, I concluded that Knight, in the first price quoted, must be getting an exorbitant profit, or the quality was too good.

241. *Mr. Guinness.*] Mr. Jenkins told us that on many occasions he was asked to put down weights which he says were incorrect; that he put them down in your presence, entered them in the book, and he made memoranda showing the incorrectness, or the incorrect weights he was told to put down: did you ever see him making memoranda?—No; I never did.

242. On any occasion, can you recollect, that you directed him to put down weights or quality whether he ever objected, or told you that you were telling him to put down incorrect weights. Are you sure of that?—Yes.

243. On no occasion?—On no occasion.
244. *Mr. Montgomery.*] Did you know what was supplied in sash-cord?—I did not see what was supplied. I know what we do supply very often.
245. In this case did you know?—No, I did not.
246. I presume you found out afterwards that hanks were sent out?—Yes.
247. Who was responsible for single hanks being sent out, and pieces being charged for?—I suppose I am.
248. It is your duty, then, to note these things?—Yes.
249. How did it occur then?—I had not looked into the matter; I took it for granted that it was correct. In the matter of 15lb., it was impossible to have looked into the weight. I could not have allowed that slip to pass over.
250. Jenkins made these entries right through?—Yes.
251. Did he speak to you about overcharging weights of sash-cord?—I have no recollection of his speaking to me about that.
252. Did you supply hanks or pieces, as a rule?—Sometimes one and sometimes the other.
253. Do you charge by the hank?—We charge by weight.
- 253A. Does the customer know the weight of each piece before it is sent out?—Yes.
254. In this case it was not done?—Evidently not.
255. How do you account for coming to a particular weight when it was not weighed at all?—I cannot account for that 75lb. at all.
256. Did you do it by a rule of thumb, a rule of the trade based at so much, or was it actually weighed, presuming that it had been weighed some way?—Sometimes I did it by rule of thumb: if it was a single hank I took it on the average weight; if more than that I had it weighed.
257. It does not appear to have been weighed at all in this case?—Oh, yes; it had been weighed, because the weight had been altered in the rough book and the journal.
258. You think it was weighed?—Yes.
259. The weight is put down in the yard-book?—No, in the order-book.
260. If the weights are put down in the order-book and altered in the journal it could not have escaped your notice that these alterations were considerable?—I did not notice it. I had not given particular attention to where weights were charged. As I am situated I am always open to interruptions, and unless one is going through and looking for mistakes it is very hard to find them.
261. Then, about the tents, you had a good deal of conversation with Miss Knight?—No, not very much.
262. You talked about the price of tents to some extent with her, and she quoted a price which was practically the price of a Government tent?—Yes.
263. Now, what I wanted to get at is this: did you suppose that when she quoted the lower price she was quoting the same quality of tent?—No, of course not.
264. When she quoted the medium price, did you have any reason to suppose that that was for the first-class quality?—I thought that was about the price of the contract tent, because it was a little above the price of the tent in other parts of New Zealand.
265. You had been asking about qualities?—Yes.
266. And therefore I presume you said you could not accept that price because it was not the quality?—Yes.
267. And the natural thing for you to say was that you wanted the contract quality?—I said I wanted the tent equal to Government quality, at a lower price than she quoted—I think, £1 5s.
268. The tents are 18s.?—She quoted me the price at £1 6s. first. I said I wanted a price about 18s.
269. There was a second price—a less price?—About 13s. or 14s.
270. Are you sure it was not the present price, 18s.?—I am sure it was not.
271. Did you or did you not stipulate for the first-class quality at this price?—I do not think I stipulated at all. I let her know it was for the Government, and I wanted them in a hurry.
272. You had been talking about two classes of quality, because you said you did not accept the lower price because it was the lower quality?—Yes.
273. In talking about tents after that, you would be stipulating for quality?—Yes.
274. Then, you did stipulate for Government quality?—I bought on that understanding. I stipulated not in a direct manner, but in an indirect manner, for Government tents, and if that is stipulation I most decidedly did stipulate. I did not stipulate for first quality; I said it was for the Government contract. She supplied tents at 18s. I did not see the tent. I knew the Dunedin price was 14s., and I knew she was getting a good advance.
275. Do you sell tents now?—We very rarely sell tents.
276. What do you charge?—We have only some in stock for the Government contract.
277. Can you account for this great difference in the price?
- Witness:* Between Wellington and Dunedin?
- Mr. Montgomery:* Yes.
- Witness:* Knight has a monopoly in Wellington.
278. *Mr. Montgomery.*] Would not people get them from Dunedin?—I do not know that people know that Dunedin is lower than Wellington for tents.
279. These prices are yours?—Yes.
280. They are the prices Knight quoted first?—Yes; the higher price he quoted first.
281. Did you imagine that the 18s. tents that you charged the Government £1 5s. for were the tents which were of the Government quality?—I did. I had no hesitation in sending them whatever.
282. Did you ask Knight for a price of these tents before you went in for the Government tender?—I personally did not.

283. Did you know whether any one in the office did?—No.

284. *Mr. McGowan.*] Had you any knowledge of the Government contract—whether it was a paying contract or a close-cut one?—This was my first experience in Government contract work, and I could not say.

285. You had no knowledge whether it was a good contract or a poor one?—I had no knowledge of contract-work at all.

286. In the alterations that you have admitted, did you go upon any basis in making these alterations? Were they made in order to make the item up, if the Government afterwards passed it, or was it made with a view to correctness of the invoice?—No. Items were made, and afterwards proved to be correct. We had made the entry before we received the invoices from the firm we had bought from. In most instances we had the invoice before sending in vouchers.

287. With reference to milled lead: did you not think that, being of this contract, you were bound to supply according to weight?—Yes.

288. And yet you are prepared to charge as the cut weight, more than that which was supplied, if the Government officers allowed it to pass?—They had the knowledge that the rest was lying in our yard.

289. *Mr. Tanner.*] Regarding the tents, did you know that Knight was an unsuccessful tenderer for them?—Not before.

290. Do you mean before you ordered the tents from Knight?—Yes.

291. And you say you had no hesitation in supplying the tent at £1 5s. which you paid Knight 18s. for, and yet you knew afterwards, at any rate, that Knight had tendered for supplying the tents and was a practical tent-maker?—I thought I was paying Knight a very fair price, considering that I could buy tents for less in Dunedin.

292. Regarding these holding-down bolts and washers, was it intended that the bolts and the washers should be weighed together?—No.

293. Did you supply washers free?—No, I charged for them too.

294. At another price?—Yes.

295. Now, regarding what you said about Jenkins, you say you complained of Jenkins in the first case that he was not conducting himself properly?—I said he was not conducting himself properly towards me; he was evidently trying to ignore me, and do as he liked.

296. Was he officious?—He was, very officious.

297. So you told Gellatly you could do without him?—Yes.

298. You did not venture that information; you gave it in answer to a question?—Yes.

299. *The Chairman.*] I understand the witness to say there are only two alterations in his handwriting, whereas, as a matter of fact, there are seven items altered in his handwriting. There is the alteration of jumpers and cleaners in your handwriting, is there not?—I believe I made the first entry of jumpers and cleaners.

300. The alteration in squares of glass, is that yours?—Yes.

301. The alteration in engineers' bolts, is that in your handwriting. There are two alterations in sash-cords in your handwriting—two hanks of "Silver Lake"?—I cannot recollect them; I have no recollection of them.

302. Then there is the lead, which you have explained?—Yes.

TUESDAY, 17TH SEPTEMBER, 1895.—(Mr. A. R. GUINNESS, Chairman).

AUGUSTUS CASTENDYK, sworn, examined.

1. *Mr. Skerrett.*] You are a member of the firm of Castendyk and Focke, wine-merchants, carrying on business in Wellington?—Yes.

2. Was James Hendry Jenkins in your employment from January, 1893, to May, 1894?—Yes.

3. During that period did you find him to be guilty of dishonesty?—At one time I found him not honest.

4. You found him not honest before you dismissed him in May, 1894?—Yes.

5. You overlooked the matter then, giving him another chance?—Yes.

6. But in May, 1894, finding further acts of dishonesty, you dismissed him?—Yes.

7. You have an objection to state the amount of his deficiency?—Yes.

8. Because you think that would be intruding on your private business?—Yes.

9. Were the amounts of his deficiencies substantial?—I would not like to answer that question.

10. Did the amount of his deficiency exceed £50?—I would not like to answer that question.

11. *Mr. Menteth.*] You find great difficulty with travellers in your line of business?—Sometimes; yes.

12. I think you had five travellers in your employment prior to Mr. Jenkins, and you had some difficulty with all of them?—I think, three travellers.

13. Are you sure the number was not five?—I am not quite certain.

14. It is frequently the case in your trade travellers are paid by commission on their sales?—And salary.

15. Sometimes you pay them by commission and sometimes by salary?—Commission and salary.

16. Is it a common practice that travellers forget themselves?—No; it is not common.

17. Now, has not all that was due to you from Jenkins been paid?—Yes. It was not paid at first, but it was afterwards, except a certain amount which I feel not justified to disclose.

18. But there was a certain balance left?—Yes.

19. *The Chairman.*] Will you state the kind of business you carry on—you say you are a wine and spirit merchant?—Yes.

20. Is it wholesale?—Yes.
21. What were the terms of the employment?—A certain commission and salary.
22. To act in the capacity of traveller?—Yes.
23. In town or country?—In the country.
24. Is it the custom for travellers to receive money on account of their employers?—Yes; they get a certain amount, and when they find themselves short they draw upon us.
25. Is it usual to receive money on behalf of the firm or to collect orders?—Their duty is to receive orders; but sometimes they cannot help receiving money, for sometimes a customer will ask them to receive it, and they have strict instructions either to remit it at once or to bank it to our credit.
26. You said he was employed on salary and commission. Was there any arrangements about travelling-expenses?—I would not like to say that.
27. Was he allowed to charge so much a day, or was he to charge the actual travelling-expenses?—He got a certain commission, with his railway-ticket, and salary.
28. He got a ticket?—Yes.
29. Was he to pay all his expenses?—Yes, with the railway-ticket, salary, and commission.
30. *Mr. McGowan.*] There are certain expenses in your line of business that are usually understood to be allowed to commercial travellers in that line: was that the case in reference to Jenkins?—Really, Mr. Chairman, I do not like to disclose my business arrangements. He got a commission, and he was allowed a sum per month.
31. A permanent salary?—Yes.
32. *The Chairman.*] Did that include all the necessary expenses in connection with your business?—Yes.
33. That was to cover it?—Yes.
34. *Mr. Tanner.*] You are not willing to give us any idea of the magnitude of the difference that existed between you?—No; I do not think it is right that I should disclose that.
35. I suppose you are aware that a deficiency of 3d. in the balance of accounts might often lead to a charge of felony?—Yes.
36. Are you aware that the loss of a couple of stamps might suggest an embezzlement on the part of an employé of a firm?—Yes.
37. Are you aware that an error in accounts is often made the basis of a criminal prosecution?—Yes.
38. I assume that you are aware that difficulties of a financial character often arise between principals and their travellers, or their agents?—There may be.
39. If you come here and give us no indication of what you are required to give evidence upon, what value can the Committee place upon what you state. It is no evidence at all.

HUGH MACNEIL, the younger, recalled and examined.

40. *Mr. Skerrett.*] You have heard it stated in evidence that a sum of £4 had been overpaid by the Government to your firm during the course of the contract?—I did.
41. There are a large number of deductions made by the Government from your vouchers with which you do not agree?—That is so.
42. Have you prepared a list showing the deductions which you say are plainly unjustifiable, and to an amount exceeding the amount overpaid?—I have.
43. Is this the list?—Yes. [List put in and read. See Appendix.]
44. *The Chairman.*] Are these errors on the part of the officers of the Public Works Department?—They are unjustifiable deductions by the Public Works Department from our vouchers.
45. *Mr. Skerrett.*] With respect to the fireguards, have you received advices from the Public Works Department asking you to render fresh vouchers?—We have, in regard to these fireguards.
46. Possibly the Public Works Department is not wholly to blame for these deductions?—They are not.
47. With regard to the gilt picture-cord, Mr. Biddell said that the special character of that cord, if it had been specially mentioned in the voucher it would have been passed?—Yes; I have heard a witness say so.
48. *The Chairman.*] What do you say is the amount on which deduction should not have been made, according to your list?—£4 16s.
49. And that you say more than covers the amount overpaid?—Yes.
50. *Mr. Skerrett.*] Practically, it may be taken that the deductions on these items should not have been made, and that the amount to come to you is greater than what has been overpaid?—Yes. They show, in the first case, that on the part of the department deductions have been made in error; and, in the second, it was stated in evidence that we would have been paid the amount if they had known the special arrangement which had been made, and the special character of this picture-cord.
51. You say that there are other deductions about which you differ with the Public Works Department?—There are many others.
52. That list does not exhaust them?—Not by any means.
- Mr. Reid:* I am prepared to state that the Public Works Department are willing to allow these two items.
- Witness:* We have received a letter to that effect from the department in respect of both these items.
53. *Mr. Montgomery.*] But this has nothing to do with what the Public Works Department overpaid?—I beg your pardon—it has a great deal to do with it. It helps to show that the whole of these things might easily enough have been made a question of adjustment of accounts. It shows that we have a set-off against the department, and if we brought down the whole of the items on

which we claim it would make such a lot of fresh evidence to go into that the Committee would not have time to deal with it.

54. You say you have other items, and you think that you would be allowed what you charge on a certain number of these?—Yes. It was suggested that Mr. Gellatly, Mr. Blow, and Mr. Reid should go into these matters. I would respectfully ask that that suggestion, when this inquiry is finished, should be carried out. I believe that if Mr. Gellatly and Mr. Blow were to go into the whole of these matters, after they had considered them there would be a considerable amount coming to us.

Mr. Skerrett: I am prepared to admit that Jenkins said he first heard of his proposed dismissal on the Saturday night.

Mr. Menteath: And that he received the note on the Monday morning following.

ADDRESSES OF COUNSEL.

TUESDAY, 17th SEPTEMBER, 1895.—(Mr. A. R. GUINNESS, Chairman.)

Mr. Menteath: I appear here as the legal representative of a witness who has been subpoenaed to give evidence before this Committee. He was in the employment of Briscoe, MacNeil, and Co., and came to the knowledge of facts which seemed, to his mind, sufficient to show that some person in authority in the office of Briscoe, MacNeil, and Co., was endeavouring by loaded weights, and by taking advantage of a somewhat incomplete system of check on the part of a Government department, to enhance the profit to be made out of the contract with the Government by fraud. These frauds became of frequent occurrence and involved considerable amounts. He became alarmed as to his participation in what appeared to him a system of fraud. After consideration he reported these irregularities to the local head of the firm. The answer to his communication was dismissal. Nothing further was heard of the matter until, on the advice of friends, he reported the matter to the persons most concerned—the persons who, in his view, were being defrauded; on whom, at any rate, an attempt to defraud was being made. In consequence of his discharge of what he deemed to be a public duty the matter was considered of sufficient public importance to be brought before this Committee. He was asked, first by the Public Works Department, and afterwards by subpoena, to give evidence before this Committee. I have to submit that he has discharged his duty; and the results of his evidence have been to show that there existed dishonesty on the part of some persons who were charged with the control of this contract as between the contractors and the Government public departments. I am happy to say that the course of this inquiry has cast no reflection at all on the officers of the public departments. It might have been thought by some that such frauds as were attempted, if you believe the evidence of Jenkins, could not have escaped notice without complicity on the part of some of the officers of the Government. We have had ample evidence on that point, and one pleasant result of this inquiry is, that no stigma rests on any officers of the public departments. It may be suggested that the system of check, at any rate on outside works, is of a somewhat lax character, and this inquiry may lead to a more complete system of check being adopted. At any rate I submit that the facts brought under the notice of this Committee by Jenkins have established the proposition that an attempt has been made on the part of the contractors with the Government to perpetrate large frauds on the public through the public departments. Mr. Jenkins is deserving, I submit, of recognition at the hands of the Public Accounts Committee, because, although many of the errors which he revealed would have been detected without his assistance, he, at the same time, threw a strong light on the way these errors came into existence. He led to a circular being issued by the department, warning outside Public Works officers to be on their guard, and the result is, that a very large amount of protection is afforded to public departments in the future. My special mission here is to protect Mr. Jenkins in the discharge of a public duty. I have to ask the Committee that, as he has been compelled by subpoena to devote considerable time to attendance and giving evidence here, the Committee should recommend payment of his expenses. He attends here "by order," and not of his own choice, and at the sacrifice of his time; for he is in employment, and has to submit to deductions of his earnings in consequence of his attending here. I therefore ask the Committee that it would take into consideration the services he has rendered to the public, and award him his expenses before this Committee.

Mr. Reid: It was stated by me at the commencement of this inquiry that the position of the Crown in this case was somewhat anomalous. To a certain extent the Crown is prosecutor, while, so far as the imputations made against officers of the department are concerned, we are defendants. As the case was presented to the Committee, it was this: Here is a large contract, in which overcharges are being made right and left, almost daily, and it was suggested, if not absolutely charged, that the Government officers were either looking on supinely or conniving at these overcharges. Such was the suggestion made at the commencement of this inquiry. Now, I would ask the Committee to consider what is the case, as proved by the evidence? The case, as proved, shows that, although there has been gross overcharges throughout the contract, the departmental officers of the Government, through the vigilance exhibited by them, have saved the Government from being defrauded in any way. The net result is a mere bagatelle. So far from any stigma resting on any officer of the departments the answer must be, "No case." As to the value of the evidence given by Jenkins, who must be taken as prosecutor in this case rather than as a mere witness, the Committee can form their own opinion. I do not propose to enlarge upon it. I claim for the officers of the department that it is by their means the Committee is able to come to a proper conclusion in respect of the whole of this inquiry. Practically Jenkins's evidence may be discarded, for it has been more than covered by the evidence from the departments. At the outset we were accused of taking up a hostile attitude towards Jenkins. What position certain members of the Committee wished us to

assume did not appear; but one thing was evident, that several members were annoyed by the position we had taken. But we could not say what position we would take until the evidence should be disclosed; and I think the evidence given to the Committee during this inquiry shows that the position we took up was the only one that was tenable, seeing that we were accusers, so far as the contractors were concerned, and, in some sense, defendants, so far as the Government officers were concerned. I will now put three simple issues to the Committee for their consideration, and will endeavour to group the evidence affecting these issues: 1. Has a system of overcharging, both as to weights and prices, been carried on under this contract, and has this been done to the knowledge of the contractors? 2. Have the officers in the Government service overlooked the overcharges so made, or have they taken the proper steps to detect or discover them? 3. To what extent, if any, has the public revenue been defrauded? Now, it must, I think, appear to the Committee that a system of overcharging was carried on; that is evident, and I need not dwell longer on that point. As to the second point, the Committee must find, as I take it, that it has been done with the knowledge of the contractors. As to their responsibility, whether their knowledge is proved to be actual or implied, it comes to the same thing. They cannot shelter themselves under the plea that Jenkins, a dismissed servant of the contractors, was principally responsible for the overcharges, because I take it that Jenkins, when he was employed, was a servant of theirs, his principal duty was to make these entries and to send these accounts to the Government. Therefore, as he was acting clearly within the scope of his duty as their clerk, as their servant, the contractors as principals are liable for his acts. Although they dismiss him afterwards, if while he was in their employment he did certain acts within the scope of his authority, they are responsible. The Committee have to consider whether the principals in this case were aware of what was going on. It all hinges on that point: "Did the principals know that this system of overcharging was going on?" As to Mr. MacNeil, I think the Committee must be satisfied that he was not aware of it. But the question is otherwise with Mr. Gellatly. The Committee have seen Mr. Gellatly here—a shrewd observant man of business, the managing partner of this large business, and they will say whether it is likely that he merely looked into the contract sales journal occasionally from curiosity or whether he would be likely to look into it for the ordinary purposes of his business. But, if we take his own words, we find that he said that when Jenkins was employed he left the entries to him and "took no supervision of the contract journal;" still, he must be considered as having a knowledge of what was going on. It is incredible that a man having the supervision of such a large concern should know nothing of what was going on. How was it that such a man could allow his clerks to trust entirely to the Government check? Did he know nothing of the process of "calling back?" He says that "he looked upon the contract sales journal as a rough book, only entered up once a month;" it is quite evident that he looked to the Government officers to correct the accounts as rendered. In view of the evidence, I ask the Committee to say whether Mr. Gellatly was aware of what was going on. Mr. Gellatly has been good enough to charge others with complicity in this matter, and even suggested that Mr. Ibbetson was in collusion with somebody. It is true that his counsel explained that he did not mean this in a sinister sense. But, if it was not meant in a sinister sense, what is the meaning of "collusion?" If it is not to be taken in a sinister sense, then there is no complaint. Now, I will read Mr. Ibbetson's letter, and I ask the Committee to consider whether the man who writes this letter was likely to be in collusion with any one as to these overcharges. Mr. Ibbetson's letter read:—

"MEMORANDUM.

"Department of Lands and Survey, 27th May, 1895.

"A SAMPLE tent and fly taken from those supplied by you to A. C. Turner, Danevirke, have been received, and is not according to contract. You must have been perfectly well aware of this when sending the tents, and your action in this matter is unaccountable.

"The tents were urgently needed, and had to be used to shelter the men, or they would have been returned. As it is, I return your voucher, and decline to pay anything like the contract prices for these inferior goods.

"GEORGE R. H. IBBETSON (for R. S.)

"To Messrs. Briscoe, MacNeil, and Co., Wellington."

In reply to that letter Mr. Ibbetson received the following:—

"MEMO. to Mr. G. R. H. IBBETSON, Lands and Survey Department, Government Buildings.

"DEAR SIR,—

"Wellington, May 28th, 1895.

"We return your memorandum of the 27th, and have to ask you to eliminate the objectionable paragraph therein, to enable us to discuss the matter of tents supplied.

"Yours, &c.,

"Per pro Briscoe, MacNeil, and Co.,

"A. W. GELLATLY."

I ask the Committee to consider that Mr. Ibbetson is about the last man that would be likely to be in collusion, or that he could descend to anything of the kind. On this issue I must ask the Committee to find that the managing partner of this firm had a knowledge of these overcharges. It is impossible, in the face of the vouchers that were corrected and of the constant correspondence that took place, to think otherwise. The conversations that took place between the departmental officers and the firm must have shown that the contract was not being carried on in a satisfactory manner. I ask the Committee whether they think it is at all likely that a gentleman in Mr. Gellatly's position would not take an opportunity of looking into these matters, and seeing whether there was any truth in the statements that were constantly made. Then we come to the question

whether the officers of the Government took the proper steps to discover these overcharges? The answer to that question, I think, must be in favour of the officers of the department. Mr. Menteth has very fairly stated, as "a pleasing result of this inquiry," that no stigma rests on them. No doubt that will be the feeling of the Committee, that the Government officers have done their best to check these accounts and to save the public revenue. In one or two instances, where there were no facilities for weighing and no actual check by weight could be made, probably over-payments have been made, and these are the cases that go to make the total over-payment of £4 odd. It should be satisfactory to the Committee to learn that the two gentlemen who gave evidence here (Messrs. Biddell and Ibbetson) did their duty. The only question that remains is, "To what extent has the public revenue been defrauded." I think the answer to that question must be in favour of the departments. The actual amount that has been overpaid is a mere bagatelle, considering the magnitude of the transactions. The fact that only £4 odd was overpaid shows that there has been due vigilance on the part of the Government officers concerned. I would ask the Committee to consider this statement as a fair summary of the main issues to be decided by them. With regard to the legal aspect of the case, I take it that these contractors have brought themselves within the 14th section of the specification attached to the contract:—

"14. The contract shall be carried out to the satisfaction of the Engineer, and if in the opinion of the Engineer the contractor commits a wilful breach of the contract, or fails in carrying out the contract in a satisfactory manner, the Minister may, on giving notice to the contractor of his intention so to do, absolutely determine the contract without further process, and from and after the delivery of such notice as aforesaid the contract shall be absolutely determined."

I think, upon the whole, it cannot be said that this contract has been carried out in a satisfactory manner. You have it in the report sent in by Mr. Blow, that inquiries were made into this matter by the department, and that steps would have been taken to deal with it but for the present inquiry. I venture to say that had this inquiry not commenced, steps would have been taken to deal with it from a Government point of view.

FRIDAY, 11TH OCTOBER, 1895.—(Hon. Mr. LARNACH, Chairman.)

Mr. Skerrett: At the outset of this inquiry my clients were placed at some disadvantage by the circumstance that no specific or distinct charges were formulated against them at the beginning of the inquiry. It is usual, where charges of fraud are made, or where charges are made which affect personal or professional character, that a succinct and specific statement of the charges should be furnished to the person or persons against whom such charges are made, before the commencement of the inquiry. When we came here we knew nothing of the scope of the inquiry, nor had we any intimation of the precise character of the charges we should have to answer. It was not until both my learned friends who represent Jenkins and the Crown respectively had concluded their cases that we became aware either of the nature of the charges or the scope of this inquiry. This disadvantage was, however, mitigated by the fact that the Committee allowed us every opportunity and facility necessary for our defence. I have to remark, first of all, that it is of importance to consider the source from which these charges have emanated, and the motives which have prompted them. It is always difficult to ascertain the secret history of charges of the nature of the present, but straws show how wind blows, and enough has been elicited in evidence to show that the persons who put forward James Hendry Jenkins as a respectable, an honest, and credible witness—the persons who have instigated and encouraged these charges—are persons interested in the iron trade, who have had previous contracts with the Crown. It is significant that the man, who was the guide, philosopher, and friend of Jenkins, who prepared the list of charges, used by my friend as a brief, about the authorship of which so much mystery was at first made, and who counselled the making of these charges, was a son-in-law of a previous contractor. If the members of the Committee had local knowledge, the selection of my learned friend (Mr. Menteth) to conduct the case for Jenkins would have considerable significance. Mr. Menteth conducted—as might be expected from him—his case with extreme fairness, and I can only trust that my confident anticipation that he is relying for his remuneration upon some more responsible person than his ostensible client is not without foundation. The Committee may say to me, What has all this to do with us; but I submit that in weighing evidence with a view to ascertain the truth, it is always of assistance to trace the origin of a charge to the source from which it emanates, and, as far as possible, the object with which it is made. This is a well-recognised rule applied in weighing testimony. Truth sometimes flows from a polluted and cankered source, but this is not the general experience. Jealousy, spite, and malevolence are the fruitful parents of falsehood; and I say that it is of the utmost importance that the Committee, in weighing the evidence in support of these charges, should remember that these charges are the offspring of spite and trade jealousy and disappointment. Further, I say that the accusation against Briscoe, MacNeil, and Co. is already a discredited thing. The parents of it are already ashamed of their offspring. I do not think it improper to say that the members of this Committee heard something of these charges before they were brought before them. It was whispered, not only to members but outside the House, that the evidence would disclose a wholesale and extensive system of swindling: a system so extensive that it could not have existed without bribery and corruption on the part of some public officer. My learned friend let the cat out of the bag, so to speak, when, in referring to the evidence, he said, "It was thought it could not possibly have gone on without the knowledge of some one in authority." I believe my learned friend was thoroughly sincere when he said he was glad that the Public Works officers were cleared of all suspicion of complicity. But he forgot that these anticipations were raised by his client; that it was from his client—or from those behind and encouraging his client—that these reports of the existence of a wholesale system of swindling going on were

circulated. It was admitted that these reports were quite without foundation; no such wholesale or extensive system has been established by the evidence. The extravagant anticipations raised by Jenkins or his supporters were deliberately untrue, and cast the utmost discredit on the accusation. I desire to indicate the principle on which it appears to me the Committee should consider the evidence which has been brought forward against my client. They should follow in this case the ordinary rule adopted in weighing evidence adduced to establish a charge of fraud—that the evidence in support of such a charge should be clear, cogent, and convincing. It would not be right for the Committee to expect me to be able to say that we can distinctly disprove that there are any grounds whatever for the existence of these charges, for the charges against my client depend on the weight you attach to Jenkins's evidence. I will show that the fraudulent entries are all in his handwriting, are all made by him, and made for his own purposes, with the view of acquiring a hold on this firm. It is impossible to disprove such charges more effectively than by showing that his evidence is wholly unreliable and improbable, and that his own story is not consistent with his conduct, or the reasons assigned by him for his conduct. This is a case in which the principle I refer to should be applied, and the charge of fraud be clearly established. There are two questions which require consideration: First, has there been a system of swindling by rendering false weights? and second, has the check of the Public Works Department been a sufficient check? I am not concerned with the second charge, except so far as it has a reflex bearing on the first. With regard to the first charge, one thing is patent and admitted by everybody, that the charges, except in respect of six items, depend entirely upon the evidence of the man Jenkins. Unless an inference has been drawn against us from the six items that are not in Jenkins's handwriting, the evidence depends wholly on the word of this man. It is, therefore, necessary that we should consider what is the character of Jenkins and what has been his conduct in relation to the particular charges. It is always an unpleasant thing to have to say hard things against anybody, but it is my business to state facts so far as they have come out in evidence. I think it unnecessary to enlarge upon his character, nor do I propose to review the career of this man in detail. I may, however, state to the Committee that during the past ten years he has embezzled money from nearly every employer who trusted him, and where he did not do so it was for a very good reason—because he had not the chance. In two cases he was guilty of considerable meanness, for whereas he was given a second chance of retrieving his position and becoming honest, we find him in a few months after he was forgiven continuing his course of dishonesty. It does not matter whether this dishonesty amounted technically to embezzlement or not. You have the fact of his continuous dishonesty before you. You have the fact that he was found to be given to corrupt and unfaithful conduct in his employments. The only reference I need further make to this is, that if he escaped the consequences of this conduct it was owing to the fact that his acts of dishonesty were committed where his parents and relatives were known to be respectable, and part of the defalcations found in his accounts were made good by his relatives.

Mr. Menteach: There is no evidence of that.

Mr. Sherrett: The main fact is that this man has been guilty of a series of acts of dishonesty while in the employment of the employers in whose service he was during the past ten years. I also submit that it is of considerable importance in this case, that in two cases his defalcations were effected by the falsification of books. It must be obvious that his character is as bad as any man out of gaol; that he is entirely unworthy of credit, and that it would be unsafe for you to act upon his testimony unless he is corroborated, and substantially corroborated, by trustworthy evidence. Having dealt with the general character of the man who has brought these charges it is necessary to consider his conduct in regard to these particular charges. It has been as bad as it could be. His story is that he was employed by this firm at a small salary; that on the second day after the commencement of his employment he began to take secret notes of certain deficiencies in weight which he says he had observed. It is true he says that he made the notes on the second or third day after the day on which the discrepancy occurred. I will give him the benefit of the doubt; but the third day, then he begins to make a series of secret notes of a series of deficiencies in weight, and for this he gives as the reason that he thought it necessary to do so to protect himself against the possibility of a criminal charge being brought against him for conspiracy. I think the Committee will agree with me that that account of the matter is a little too thin. He had not shown the same timidity in regard to criminal proceedings on five other occasions. Let us consider and see whether this was the object; whether it is possible, judging by his conduct, that this could have been the object he had in view. One would have thought that a person situated as he was would have mentioned something of his suspicions to some one, more particularly to one or other of the persons similarly engaged and incurring the same responsibility as himself. But he never says a single word about it to Bridson. He says in his evidence, to account for this extraordinary secrecy: [*Vide* notes of evidence—cross-examination, pages 19, 20, questions 33 to 60.] Now I say that is an utterly incredible account of the motive for making these secret notes. Supposing him to be an honest man, desirous to protect himself from a possible criminal charge, you would suppose the first thing he would do would be to take counsel with some one, but this man never says a syllable of it to anybody—neither to Bridson, nor to any clerk in the office, nor to any person in the employment. There must have been some junior clerk or other person to whom he could disclose his apprehensions; but no, he says not a word about it to any one. Now, with regard to Bridson, you had that witness before you. He is a younger man than Jenkins. If Jenkins's story is true, is it not extremely probable that there would be some conversation between them on this subject—some hint, or some suggestion of his fears in his intercourse with Bridson? It is true, he says Bridson was a man he could not very well approach. But then he sees Mr. Gellatly; he goes to Gellatly to complain of Mr. Bridson's conduct towards him, but he does not convey to the mind of Mr. Gellatly the slightest hint that there are any inaccuracies whatever in weights or anything else. When he is cross-examined, with a view to

obtain from him a reason for this conduct, in no way does he produce a single reason for his silence. He is asked questions about it and invited to give some explanation, but he gives none. Not a hint is given of any overcharge, and nothing is obtained from him that can throw the least light on the matter. He is asked. [*Vide* evidence, page 21, question 105; also page 23, question 195—cross-examination]. [*Vide* notes of evidence, page 21, question 107.] Mr. Montgomery also examined Jenkins to the same purport. [*Vide* notes of evidence, page 24, question 259, *et. seq.*] Now, I put it to the Committee, if this man were an “honest” man, as he says he is, keeping these notes for the purpose of protecting himself, whether this silence on his part is not inexplicable and incredible. It is not even human that a man, actuated by such a motive, should be silent, and make no mention whatever of such a matter. Well, then, you approach the case on this basis: you have here a man utterly untrustworthy, according to his own evidence, whose conduct is inexplicable and incredible, upon the assumption that he was taking these notes for an honest purpose. I now come to his conduct as regards the letter. What were the facts? One day, in a conversation between Gellatly and Bridson, they resolved that Jenkins was to be dismissed. Jenkins is informed of that by Bridson. It is true Jenkins says he was not so informed; but whether that is so or not makes no material difference. But on the Friday preceding the Saturday before his dismissal Jenkins must have had an inkling that his dismissal was intended, for he goes to the office and gets an advance of his next week’s salary, and on Monday the letter is waiting there for him containing his dismissal. On the 10th May he writes the letter which has been produced. [Letter read.] Now, if ever there was a letter written intended to be a blackmailing letter, that is one. It is a letter of extraordinary significance. For months this so-called “honest” man had been keeping a series of secret notes of what he afterwards calls fraudulent alterations; and though, for a period of at least two months, he is absolutely silent on the subject, it is not until the day that he gets the letter which contained his dismissal that his conscience is aroused. Reading between the lines we can see,—indeed it is quite obvious,—for what purpose that letter by Jenkins was written. It was plainly intended to convey to the person to whom it was addressed that if he was not kept on there would be a “row”; that if he was not taken back he would report to the Minister for Public Works; but the party addressed were above such a menace—they would have no truck with him. There is a homely saying that the proof of the pudding is in the eating. The contemptuous treatment which his letter received was not to his taste. When this man found they would have nothing whatever to do with him, when he saw that his letter miscarried, he consults the son-in-law of a previous contractor, who counsels him to lay the matter before the department. Here, then, you have this “honest” man, fearful of being involved in a charge of conspiracy to defraud, yet keeping memoranda for his own purposes, only disclosing his charges when he knows that his dismissal from his employment was contemplated and determined upon. These facts must afford the strongest possible suspicion that this letter was intended by this blackguard to levy blackmail, and to acquire a hold over the firm of Briscoe, MacNeil, and Co.

The Chairman: What is the explanation of the reason for his dismissal given by Gellatly and Bridson?

Mr. Skerrett: It was the true one, that they had no more work for him to do.

The Chairman: Because they had too many hands; not that he had been tampering in any way with their business?

Mr. Skerrett: Nothing was known at that time. This “honest” person had maintained a complete silence in respect of these matters; he said not a word about it to anybody. His conduct had not in other respects been quite satisfactory, and on the Friday, in the conversation between Gellatly and Bridson, it was resolved to dismiss him on the ground that they had already too many hands. This was decided upon in complete ignorance, as is admitted, of these allegations or so-called frauds. At all events, on the Friday he gets the advance of salary, and he next writes this letter of the 10th May; and this was the first time that Mr. Gellatly knew what sort of a person this man Jenkins was.

Hon. the Premier: Who was this son-in-law of a previous contractor that you allude to?

Mr. Skerrett: Mr. Russell is the son-in-law of Mr. Mills.

The Chairman: How could Mr. Jenkins have got an advance of salary in such circumstances?

Mr. Skerrett: As I have told the Committee, these things were not known at that time. On the Saturday he would have been entitled to a week’s salary in lieu of notice; having resolved on dismissing him, the letter containing his dismissal was waiting for him on the Monday morning, so that he would not have to commence a fresh week. We next come to the list; there has been a good deal of mystery about this. We put in no list, yet a list was put in. I asked Jenkins whose list it was, and he would not say; we know now that it was his friend Russell that had prepared it. Before proceeding to the investigation of the actual charges, I would remind the Committee the amount involved, so far from being “wholesale,” is comparatively trifling. I venture to say that the sum of these discrepancies might easily be found in the accounts of any contractor with the Government.

Hon. the Premier: No.

Mr. Skerrett: I will show the Committee what colour was given by Jenkins to these matters; he desired to impress on the Committee that these were mere samples of the defalcations; that he was simply producing typical cases; but that is an untrue statement, as may be gathered from his evidence. I ask the attention of the Committee to it, because it is evidence of the colour given to the whole of these charges—

The Chairman: By whom?

Mr. Skerrett: By Jenkins. Another statement is that there are entries in their books which there are no possible means of proving. You see what he says in cross-examination. [*Vide* notes of evidence.] These notes or statements of his in all human probability include all the

deficiencies—where there were deficiencies—during the period of his employment. Apart from his evidence there is intrinsic evidence that that is so. You will see by the small amounts that the statement goes into detail, such as alleged overcharges of 6d., 8d., $\frac{3}{4}$ d., 9d., 10d., 2s., 3d., &c., showing that the notes are complete and exhaustive.

Mr. Menteath : You will find that there are other items included in that statement.

Mr. Skerrett : This statement of his I believe contains all the charges; there was an item "blacklead," but that was only 6d.

The Chairman : He notices items as overcharges which are in reality undercharges.

Mr. Skerrett : In Mr. Blow's evidence reference is made to alleged overcharges which are in reality undercharges (items 37 and 52); then there are items, such as 45, where 1cwt. is undercharged, but is included in Jenkins's list as an item of overcharge. [*Vide* notes of evidence, page 36, question 91.] Jenkins was asked a question by Mr. Montgomery on the same branch of the subject. I will read to you the answer he makes to Mr. Montgomery's question. [*Vide* notes of evidence, page 24, question 252.] I have prepared a list which includes every item upon which overcharge is alleged by Jenkins. What better evidence can be furnished than a complete list which is absolutely correct? Let us see how figures shown by this list stand. Jenkins's total amount of overcharges is put down at £23 2s.; from that deduct £5 7s. 3 $\frac{1}{2}$ d. Undercharges and overcharges, of which I hand in a list, leaving a balance of alleged overcharges of £17 16s. 6 $\frac{1}{4}$ d.

The Chairman : He at first made it £49 odd?

Mr. Skerrett : Yes; but he gave evidence only to the amount of £23. The Public Works' account—arrived at by an independent investigation and check—pretty well agrees with that, and gives £18 14s. 7d. From this amount you must deduct £3 19s. 4d. (£1 12s. 7d., not errors of weight or involved in the charges, and an admitted undercharge of £2 6s. 9d.), leaving a net balance of £14 15s. 3d., to which you have to add items in Jenkins's statement, and not in the Public Works' statement, £3 1s. 5d.—leaving the balance of overcharge at £17 16s. 8d., according to the Public Works' independent investigation; and £17 16s. 6 $\frac{1}{4}$ d. according to Jenkins's evidence. Now, I say that when you consider the magnitude of this contract, its variety of detail, such a margin of error is a mere bagatelle.

The Chairman : Is that after all deductions are made?

Mr. Skerrett : Yes; and that £17 16s. 6d. is made up of £8 8s., an item of glass, which has to be deducted, being an obvious clerical error, which would have been discovered by the Public Works Department, and has been discovered by the Public Works Department, so that the total is reduced to £9, and if you take off from that one, the largest remaining item, the discrepancy is reduced to two or three pounds. The sash-cord was the only large item, so that the discrepancies are reduced to a very small sum.

The Hon. the Premier : I understood you to say that these discrepancies occurred with a previous contractor.

Mr. Skerrett : I did not mean to imply that with any contractor there was a deliberate system of overcharging the Government.

Mr. T. Thompson : I understand you to say that it was nothing more than usual in the department. That would lead one to suppose the officials were negligent in the performance of their duties.

Mr. Skerrett : What I desired to say was this: that in a contract of this magnitude and enormous detail, where you would find no larger discrepancies, from month to month, between the contractor's and the Government accounts, you would not be justified in attributing such discrepancies to anything but error. As to the character of the alterations, that is quite another matter. In this contract you see that the total amount of the discrepancies is £17; that from that you have to deduct £8 8s. in favour of my clients, which must be admitted to be a mere clerical error and not a fraudulent overcharge. It is to be noted that the net amount actually overpaid is but £4, against which Mr. MacNeil has told you, and it is not really denied, he has an off-set to a greater amount for improper deductions made. Indeed, most of the alleged overcharges have been disproved, and some that were alleged to be overcharges have proved to be undercharges. There is the item lead piping, which was disproved by Mr. Gellatly. We have been able to show that Burt's invoice was a mistake of Burt's.

Mr. Menteath : That is Mr. Gellatly's evidence. There is other evidence—

Mr. Skerrett : Now lead piping is of a standard weight. The weight was 20lb. That is what it ought to be, and what it was; but Burt's invoice was only received after the weight had gone in. The next is item 29, which was correctly rendered. Now I desire to call the attention of the Committee to new matter, but it illustrates what is not perhaps well understood, and that is, that without any fraud or evil practice you will find discrepancies in weight in all large contracts for the supply of goods of this description. I hold in my hand a document received from the Railway Department showing one bar and a half steel charged 9cwt. 2qr. 18lb. It is reduced by the department, after actual test, to 9cwt. and 25lb., making a difference of nearly a quarter, and yet I produce the invoice of Mills and Co., debiting us with the same amount of iron at 9cwt. 2qr. 18lb.

Mr. Menteath : If my learned friend wishes to give evidence in this case, I submit he should go into the box and be cross-examined.

Mr. Skerrett : It is a mere illustration of what is the practice, and it is for the purpose of illustration that I use it; to show that on entries of this kind you must not impute dishonest motives.

Hon. the Premier : The question is, whether that is to be entered in the address—

The Chairman : I think that new matter has no right to be put in evidence, but I have no doubt, Mr. Skerrett, you have done sufficient for your purpose.

Mr. Skerrett : The point I desired to make was this : that although the sales to the department were proved to be £3,435, there have been only errors produced to the extent of £17, subject to further reduction by the deductions I have mentioned. Now, I say this shows that there was no wholesale system of overcharge ; that in the face of these figures it is impossible to say that there was. I now come to a matter of the gravest importance. I admit that there are entries where it would appear as if the weights had been deliberately increased ; but I say that was done by this man Jenkins for his own purposes. It is for you to consider whether Mr. Gellatly or Mr. Bridson was aware of the practice.

The Chairman : You maintain that this was done unknown to the principal ?

Mr. Skerrett : Yes ; for the purpose of acquiring a hold over the firm of Briscoe, MacNeil, and Co.

Mr. Menteath : There is no evidence of it.

Mr. Skerrett : My learned friend, in the evidence he adduced before the Committee, did impute to my clients the knowledge of what his evidence attempted to prove—viz., that there was a fraudulent increase of the weights, or alteration of the weights, to their knowledge. Firstly, he relies upon a conversation between Gellatly and Jenkins. There is no doubt there was a conversation, but it was not of the nature mentioned in page 5 of the cross-examination. [*Vide* notes of evidence, page 20, question 84, *et seq.*] This alleged conversation, if it ever took place, is utterly insufficient to prove any knowledge of these entries by Mr. Gellatly. It is impossible that he could have said what is there imputed to him ; it is impracticable ; it is absurd, and affords no ground for making such an imputation against Mr. Gellatly. If Gellatly said what is imputed to him he must have been talking nonsense—he must have been suggesting a course he knew to be absolutely impracticable. The next reason urged by Jenkins for imputing knowledge to Gellatly you will find in the evidence. [*Vide* page 6, notes of evidence, page 20, question 88, *et seq.*] Now, during the greatest part of this period Mr. Gellatly was away from Wellington—that is the first fact, and that fact Jenkins conceals from the Committee ; for six weeks or two months he was absent in Melbourne ; Jenkins endeavours to make out the knowledge of Mr. Gellatly over the whole of this period, but it is plain there could be none. He suggests that when Mr. Gellatly returned, because the contract journal was submitted to him, therefore he must have a knowledge of these proceedings. But Mr. Gellatly tells you that he only looked at the book cursorily, that he did not examine it or the entries in it. Yet it is seriously suggested that because there was this cursory examination he was bound to have discovered these discrepancies amounting to £17, upon sales amounting to £3,435. It is ludicrous to make such a statement with respect to a business-man. But it is said the vouchers had been returned. They were not returned—they were never returned before Jenkins's dismissal. The practice was for the cashier, when the voucher had been in some time, to go to the Government office to collect the amounts. He would then discover what alterations had been made by the officers of the Public Works Department. He went simply to get his cheque. That was the first time he knew of any alteration. He next took a note of the item, making a cross-entry in his book, and went away. So that the voucher was never returned ; he simply entered the amount deducted on the debit side of his book. Not a single instance of any deduction for or in respect of overcharge in weight, or any deduction likely to attract attention, was ever made before Jenkins's dismissal. There is not a tittle of evidence to connect Mr. Gellatly with the accusations made by Jenkins. One instance shows what a liar Jenkins is. He finds an alteration of lead pipe to sanitary pipe in his own handwriting, and he gives that as a reason why Mr. Gellatly must have known of the alteration.

Mr. Menteath : Alteration in his own handwriting—it is in blue pencil, in Gellatly's handwriting.

Mr. Skerrett : If you read the evidence, you will see that the statement made by Jenkins was that it was altered from lead pipe to sanitary pipe at the instance of Mr. Gellatly. At first Jenkins thought the entry was wrong, and so he seeks to attribute this as a false entry by Gellatly's direction, but it was afterwards proved to be a very proper entry ; for experts have been called and examined, and they say it was sanitary pipe. The point I wish to make is this : that this fellow has been fabricating his case all through ; he sees the alteration in the book ; he at once invents an account of names in which the alteration has been made to suit his purpose : this was a lie, and a useless lie. Next, with regard to Mr. Bridson : this inquiry is a matter of great importance to Bridson. He is a young man standing, as it were, on the threshold of life. I invite the Committee to consider whether there is any evidence upon which they could impute to Bridson any responsibility for these entries. In this connection I desire to show that the statement of Jenkins, to the effect that the entries were made in the manner he describes, is a lying statement, and that appears from his own evidence given before this Committee. You will remember that he described with some particularity the manner in which the entries were made. He (Jenkins) made the entries from the order-book into the contract journal ; the weights were left blank ; then he and Bridson compared the order-book with the contract journal—Jenkins taking the contract journal and Bridson the order-book ; when the items were read out from the order-book Bridson gave him the weight verbally, and then Jenkins filled the weight so given him into the contract journal. As this is a matter of great importance I want to make it clear that this gentleman said that in all cases the direction was given to him by Bridson verbally. In my cross-examination of him he is asked the question. [*Vide* first cross-examination by Mr. Skerrett, notes of evidence, page 12, question 61.] In my further cross-examination (page 22, question 168) that is repeated, so that it is quite clear that this man solemnly and deliberately says that Mr. Bridson gave him these directions verbally. Now, Jenkins had an interview with Mr. Blow. Mr. Blow's evidence has not been attacked, and no attempt has been made to explain or shake it. And what does he say to Mr. Blow ? He says, "I wrote the weight down on slips of paper ; I gave these slips of paper to Bridson ; Bridson altered the weights on the slips of paper, and returned the slips to me for the

purpose of making the entries in the contract journal. [*Vide* Mr. Blow's evidence, page 36, question 95, *et seq.*]

Mr. Menteth: There is certainly some confusion here. [Evidence read.]

Mr. Skerrett: Now, one of these two statements is a lie. That is obvious. Why should he lie about this process? If he were an honest man, giving an honest account, and keeping notes of what went on for an honest purpose, why should he tell this lie? There is no reason but the one why he should tell this lie deliberately to Blow. If he were an honest man he would have no reason to tell a lie about this; but if he were keeping these notes he took for the purpose of levying blackmail on his late employers who had dismissed him, then you would expect him to vary his account as to the way in which these notes were procured, and to differ in his account of the manner in which they were made. Not one of these slips has been produced, notwithstanding that he made such careful notes for his own protection. That statement shows that his evidence is wholly unreliable: that he was a mere blackguard making evidence for his own purposes. The exhibit 29 I asked to be produced because it shows that the alteration was made in the contract journal after the voucher was rendered. The contract journal shows it incorrectly; it was rendered correctly. What explanation can there be but this: that after the voucher was rendered for the amount he altered it himself in the Public Works contract journal. The voucher was for one piece of 4lb. sheet-lead.

An Hon. Member: What is the total?

Mr. Skerrett: £3 10s. 3d.

An Hon. Member: What is the weight?

Mr. Skerrett: 1cwt. 0qr. 14lb. If you turn up the Public Works contract journal you will find it entered as 1cwt. 2qr. 14lb. [Page 106, contract journal.]

Mr. Guinness: Altered from 1cwt. 0qr. 14lb. to 1cwt. 2qr. 14lb.

Mr. Skerrett: What is the inference to be drawn from that but that this man must have been making entries for his own purposes, because if it was done in the manner described it was impossible for it to be otherwise; for the voucher as you see is rendered correctly, but he alters it when entering it in the contract journal, and he takes a note of it. If he was keeping these notes for an honest purpose he is contradicted by the lying statement made in regard to the interview with Blow, and not only by that circumstance, but other circumstances as well. It is extraordinary, if his story were true, that when making the fraudulent entries he had the contract journal and Bridson the order-book, yet in all cases the entries, with the exception of two in the order-book, are in his handwriting. If it were true, what would happen is this: the weight is read out by Bridson, who gives a false weight to Jenkins, who enters that in the Public Works contract journal, Bridson then hands the order-book back to him to make the fraudulent entry in the order-book, to make it agree with the journal. It is utterly improbable if Bridson gave these directions that you would not find a large number of these entries in his handwriting. Is it at all probable to suppose that he would, in comparing the order-book with the contract journal, pass it over to Jenkins so as to get him to make it, or if Jenkins was really afraid of a prosecution he should make the entry, as he said he did, without demur. There is one fact that indicates the fraudulent character of this man—

The Chairman: Are you not making too much of this person?

Mr. Guinness: Building up and then knocking him down too much?

Mr. Skerrett: As to the other entries in the book for which Jenkins is not responsible, there are only six that are not in his handwriting. First, there is that item of 8 $\frac{3}{4}$ d. [Item, page 3.] That is a December item. The way in which that is explained is this: There were 7ft. of lead-pipe, standard weight of which is 3 $\frac{1}{2}$ lb. per foot, totaling 23lb.; Burt's invoice shows it to be 16lb., but there is no suggestion of a fraudulent entry there. With regard to the glass, there is an entry at page 96 of the contract journal (4 squares, 4ft. 10in. by 10 $\frac{1}{2}$ in., &c.) that was supplied to the Government, the dimensions of the glass being fully given and the net total; it was rendered at 380ft., being in excess 100ft.; but that was purely a clerical error.

The Chairman: The 100 was turned the wrong way.

Mr. Skerrett: The point I want to make is to show that all the dimensions were fully given, so as to enable the department to check it. It is well known that in goods of this kind such errors are constantly occurring, and are constantly being checked, and in these particulars the vouchers are as constantly altered, so that there could be no imputation of fraud here.

The Chairman: That comes out very clear.

Mr. Skerrett: Then there are the "holding-down bolts," that is in Bridson's handwriting, 1qr. 14lb. with washers, charged in bulk at 5s. Bridson's account is that he weighed the bolts and washers not knowing that the washers were to be charged separately. Then, at page 98, there is the item "a dozen engineers' bolts"; the overcharge here is 1s. What he says about it is this: that he overestimated the weight; although there is an overestimate in weight the price charged was reasonable and not excessive.

The Chairman: He did not scale them.

Mr. Skerrett: Then, with regard to the twenty-five sheets of lead, the explanation is this: Sheet-lead was ordered 12ft. by 4ft., &c.; it was to be cut to a certain size. Messrs. Briscoe, MacNeil, and Co. explain that they never cut up sheet-lead for their private customers; that they would not do it, but that, having this Government contract, they made this exception. By the department order 84ft. were used or rendered useless.

The Chairman: Why was not the whole of it sent?

Mr. Skerrett: The department insisted upon its being cut, and they were told the waste could be sent to them if it were wanted. Upon the first intimation that the item was objected to under the special terms of the contract it was instantly corrected. It was attempted to be shown that this was a fraudulent item, but Mr. Gellatly distinctly showed that it was not.

Mr. Button : What was the amount involved?—11s.

Mr. Skerrett : There is one thing that I would remind the Committee of in regard to these Government contracts, they are usually taken at the lowest figure. When the contractor is required to supply goods that are outside the contract he will make what profit he can on these non-contract articles. There is no reason why he should not get the full market price. These schedules are of great and enormous variety of detail ; we may try to set up fine moral distinctions.

The Chairman : You would hardly call 18 per cent. a low figure.

Mr. MacNeil : The prices in the schedule are only approximate ; nobody could judge from them in respect of the contract.

The Chairman : They are put there for the firm's information.

Mr. MacNeil : Yes.

Mr. Button : What about the cord ?

Mr. Skerrett : The explanation of that is this : it is made up in "pieces" consisting of a number of feet each piece ; each "piece" is put up in two hanks ; it is usually sold by the hank ; one hank is often nearly double the length and size of the other ; the question is whether what was supplied was a piece, or double hank, or a single hank ? You will see from the evidence how the mistake arose. [*Vide notes of evidence.*] If it was a single hank that was supplied it was half as much as it ought to have been ; but, on the other hand, it may have been a double hank. Jenkins says that in the calling over he was told to turn back to the previous charge, and make the same charge as before. In referring back to the previous charge he took the weight there charged, and made all the other entries on this basis.

Mr. Button : You suggest that the first was a mistake, and that Jenkins copied the mistake ?

Mr. Skerrett : Yes, because Jenkins simply repeats it, and makes continuous entries on that basis.

Mr. T. Mackenzie : But they are not the same size.

Mr. Skerrett : These are the facts : although a few hanks may differ as to size they generally agree ; what I contend is that those six items are all susceptible of a reasonable explanation. Then, as to the evidence given by Jenkins, I say that if it is not corroborated it is unworthy your attention. Now we come to the question of the tents. It is clear that a tent of inferior quality than stipulated was sent by Briscoe, MacNeil, and Co. to the Survey Office. It is admitted that this was the only supply that was irregular ; it is also admitted that the attention of Briscoe, MacNeil, and Co. was not called to the irregularity until after this inquiry had reached its earlier stages. It is shown that this is an isolated instance. The two points are : first, that there was a supply of inferior quality ; second, that Briscoe, MacNeil, and Co. were not informed of the irregularity until after this inquiry had commenced its earlier stages. It follows that this is an isolated instance.

Hon. the Premier : I was not here at the time, but it runs in my mind that, in regard to these tents, the attention of the contractors was called to it before that ; if not, it ought to have been, for I noticed the difference myself.

Mr. Skerrett : We have letters——

Mr. L. Reid : I would ask the Committee to turn to the evidence of Captain Turner, which I think fixes the date—25th May.

Mr. Skerrett : Then I am correct : their attention was not called to this matter until after Jenkins made his representations to the Public Works Department.

Hon. the Premier : I have a recollection that the contractor waited on me weeks before Jenkins in reference to the tents.

Mr. Guinness : May not this discrepancy of date be corrected ?

Hon. the Premier : I remember that Knight waited on me, and asked me what the prices were.

Mr. Skerrett : My point is this : that this is an isolated instance. Let us come to the facts connected with the ordering of these tents. The facts in regard to this matter were stated by Miss Gertrude Knight, who took the order. She says the first supply of tents was ordered from her for the Government, according to Government requirements. She was not able to speak positively to all particulars, and I asked her to send in a statement to the Committee referring to the first supply of tents. Her statement comes in, and it shows that these tents which are in dispute were the very tents that were ordered, according to contract quality. She is positive that this was the first order of tents, and that they were ordered to be made according to specification and sample. That was her evidence before the Committee ; but, to make the matter perfectly clear, I asked her to let me have from her day-book the entry showing what tents were first supplied. That shows that these were the very tents, and that they were properly supplied. [*Invoice read. See Appendix.*] The tents were ordered in a hurry, and were sent practically direct from Knight to the Government. There was no examination of them by Briscoe, MacNeil, and Co. It turned out that these tents are not usually kept by ironmongers ; that the firm in Dunedin were in the habit of contracting for tents at 14s. 6d., being less than they were paying to Knight.

Mr. T. Mackenzie : For as good a tent ?

Mr. Skerrett : I am not saying that. I am entitled to assume they were as good. I do not know ; but, seeing that they were accepted by the Government and no complaint was made, that they were supplied at the same, or less than they paid for these goods in Dunedin——

An Hon. Member : There is a difference between the Wellington price and the Dunedin price ?—There is a difference of 11s.

The Chairman : For exactly the same quality ?

Mr. Skerrett : Exactly the same quality. But, however that may be, you have to proceed according to the evidence. Miss Knight says they were ordered according to sample, that they were the first order, so that we are not to blame for their lack of quality if the price was not enough. The tents were assumed by Briscoe, MacNeil, and Co. to be of sample quality, and were, upon receipt from Knight and without further examination, sent to the Government.

The Chairman : They were an eighteen-shilling tent invoiced by the firm at £1 5s.

Hon. the Premier : I see by the examination of the papers in reference to the dates that we are both right.

Mr. Skerrett : I have only one further observation to make. The Committee must be aware that this inquiry has caused a great deal of discussion in trade circles. I think there is no objection to my saying that it has been used by trade rivals to the disadvantage of my clients. If I have succeeded in proving to the Committee that there is no justification for the imputation of fraud against my clients, then I think their good name should be cleared from such imputation. The very care with which the Committee have investigated this matter has been made a weapon of attack by the trade rivals of this firm.

Mr. T. Thompson : I understand you to ask the Committee to believe that Jenkins was actuated by a desire to get a "pull" over his employers by making these entries himself. How do you explain the fact that the vouchers challenge so completely that intention?

Mr. Skerrett : They never challenged anything until after Jenkins's dismissal.

Mr. T. Thompson : Was it not equivalent to a challenge that these deductions should have been made?

Mr. Skerrett : You will see that this is a very large and varied schedule ; that in such contracts disputes constantly arise in respect to the description of the items—that is, whether a particular item or items come under the schedule rates or not. Had these vouchers been returned before Jenkins was dismissed what you say would be unanswerable, but no voucher was returned.

Hon. the Premier : It would be the company's place to try (whether they were outside the contract), and the official's place to deny.

Mr. Skerrett : When an item did not come within the contract it was their business to make as much of it as they could.

An Hon. Member : You would not argue that they should charge a price to the Government beyond that which they charge other customers.

Mr. Montgomery : It is not a question of price here, but rather a question of weight.

Mr. Skerrett : The Committee said that they were satisfied as to all deductions, except as to overcharges in weights and as to tents, and stopped me from explaining other items. I would remind the Committee that, although there has been an overpayment of £4, Mr. MacNeil shows in his evidence that against that there is an off-set to a greater amount, and he produced a list in respect to which it is admitted that the amount they claim exceeds the amount overpaid.

TUESDAY, 15TH OCTOBER, 1895.—(Hon. Mr. LARNACH, Chairman).

Mr. Menteath : I trust that, if I have been the means of causing some little delay on the last occasion that the Committee met, I shall make up for it on the present occasion by the opportunity which has been afforded me by the adjournment to condense the remarks I have to make upon the evidence that has been adduced. I will make brevity my first object. I submit that the results of the case may be summarised under four heads—(1.) That the officers of the Public Works Department (so it appears to me) have been acquitted by the evidence of any suspicion of fraudulent complicity with any outsiders in the discharge of their duties. (2.) That the system of check pursued by the central office of the Public Works Department seems to be an efficient check. At all events, that is the effect that the evidence makes on my mind—that it is of an efficient character. On the other hand, there seems to be no efficient check, or no sufficient check, on outside works carried on by the Public Works Department ; and now as regards minor departments, such as the Survey, the Police, and some others. In these minor departments mistakes have been revealed which have gone on unchecked to a considerable extent. On these points I do not think that my learned friend would join issue with me.

The Chairman : I would remind you that the Railway Department has been referred to a good deal in the course of this inquiry.

Mr. Menteath : I omitted to mention the Railways. There the check appears to be very efficient.

The Chairman : And the Marine.

Mr. Menteath : Yes ; the Marine. But I do not know whether the check in the Marine is to be attributed to the system adopted or to the officers. I will only say generally that in some of the other branches the check seems to be very inefficient indeed. There are two other results which have been elicited by this inquiry, and to this I have more especially to address myself. I have to submit to the Committee that the evidence taken during this inquiry clearly establishes that a system of overcharge has been pursued by the firm of Briscoe, MacNeil, and Co. in the performance of their contract with the Government, and that that system has been the result of deliberate intention. I am, of course, only speaking of the Wellington branch. What I say is that, from the evidence which has been adduced, it would appear that there was a deliberate intention to increase the profits of the contract by taking advantage of the inefficient system of check which existed on the part of the purchasers in those outside works and the minor departments to which I have referred. Further, I have to submit that, in drawing the attention of the officers of the Public Works Department to this organized system of overcharge on the part of Briscoe, MacNeil, and Co., my client, Mr. Jenkins, is deserving of recognition, and deserving also of indemnity against the loss of time he has suffered, and the expense to which he has been put in the discharge of a public duty. And I submit, further, that the sole question which, in considering the question of costs, the Committee has to consider is whether he has not done a public service. His motives, I submit, have nothing to do with the decision of the Committee. He may have acted from all sorts of motives ; it may have been a conscientious motive, but that is between himself and his own conscience. I contend that the sole question is whether he is not entitled to indemnity for having performed a

service which has resulted in benefit to the public, and therefore he is entitled to his expenses. My learned friend, Mr. Skerrett, puts the defence of his clients before the Committee, as if this Committee were a Criminal Court—as if his clients were brought here upon a criminal charge. The rules which govern the proceedings of this Committee are not analogous to the rules of a Criminal Court. I submit that the jurisdiction of this Committee is a purely civil jurisdiction; that the only punishment it is at liberty to inflict is by a recommendation that the contract between Briscoe, MacNeil, and Co. and the Government should be terminated. That is the only penalty this Committee has jurisdiction to inflict. The question before the Committee is not a criminal, it is civil; and I need not remind the Committee that very different rules are applicable to one jurisdiction and the other. My learned friend's defence of his client may be summarised thus: that, having a weak case, he devoted fully one-fourth of his speech to abuse of the other side. Besides attributing to Jenkins all kinds of motives my friend assails his conduct and character, calls him blackguard, liar, and I do not know what all. I submit that the character and motives of Jenkins have little or nothing to do with the present case. All that Mr. Jenkins did was to call the attention of the Public Works officers to certain facts. That was his whole function, and that, he has told you, he deemed it to be his duty to do. Had he not mentioned these facts which came to his knowledge he would deserve to have come under the censure of the Committee. In consequence of these facts Mr. Blow and the officers of the Public Works Department instituted an inquiry. The result of that inquiry is expressed to your honourable Committee in the report of Mr. Blow. Mr. Blow states, after the enumeration of certain overcharges, that others than those which had been mentioned by Mr. Jenkins had been brought to light, so that, as Mr. Blow expressly says, Jenkins's statement is borne out by the facts. The Public Works Department thought the matter so serious that they issued a circular warning their officers to be on their guard against these overcharges; and, finally, Mr. Blow sends in his report to this Committee. Jenkins had drawn attention to certain facts, and those facts were deemed by the department to be of such importance as to justify the gravest steps being taken against Briscoe, MacNeil, and Co. It is not Jenkins who led them, it is the result of the inquiry which they had instituted that led them to take further steps in the matter. Not only do they issue a circular warning the officers of the department, but they take the opinion of the Law Officers of the Crown as to the course of action that should be pursued. Mr. Blow, in answer to a question, said that he was not then at liberty to state what the recommendation of the Law Officers of the Crown was, but the Public Works Department were quite ready to act on their recommendation. The Law Officers having made their recommendation, in pursuance of that recommendation Mr. Blow wrote to Jenkins, and asked him whether he would be prepared to come forward and substantiate the allegations which had been made. The Public Works Department found it necessary to take serious action. That letter written to Jenkins by Blow could only have been addressed to Jenkins because of the recommendation of the Crown Officers. Their recommendations, I submit, must have been that the contract of Briscoe, MacNeil, and Co. should be cancelled; and the Public Works Department were prepared to call Jenkins as one of the witnesses to contribute his quota of evidence to the case against Briscoe, MacNeil, and Co. should that firm have questioned the decision of the Public Works Department in the law Courts. The position then was that Jenkins simply drew the attention of the Public Works Department to the facts, which facts, after investigation by the department, were deemed sufficient to warrant them in taking the very grave steps that they have taken. My client is therefore before the Committee not of his own motion, but in obedience to the request of the Public Works Department. And now I come to the question of the value of Jenkins's evidence. We have here a list carefully prepared by the department showing the overcharges on the vouchers sent in by Briscoe, MacNeil, and Co. from 6th February to 31st July. This list refers only to the vouchers that had been checked by the central Public Works Department. Outside of this list there are numerous vouchers which are in evidence before this Committee—from the Survey Department, from the Police, and from outside works carried on by the Public Works Office, and which had not been submitted for examination to the central office. A careful examination shows that the total overcharge disclosed by the statement put in by the Public Works Department is £47 0s. 6d., upon an amount of £68 13s. 6d.—that is, upon items which represented £68 13s. 6d. there was an overcharge of £47 0s. 6d.

Mr. Skerrett: My learned friend is making the mistake of taking into account the total of Jenkins's individual vouchers, which are not before the Committee at all.

The Chairman: As well as I could make out there was an overcharge of £49 9s. 9d., which was afterwards reduced to £16 5s. 10d., or something like that.

Mr. Menteath: The list put in was never publicly attacked. My learned friend never attacked it as a whole. That statement is in evidence before the Committee. What I wish to point out is that my learned friend simply picked out certain cases, and separated them in his address from the others; he made it, as it were, a little nest of items, which he distinguished as belonging to a peculiar class, and he put that before the Committee, and then made out that the overcharge was only £18, or thereabouts. But that overcharge of £18 was upon such items only as Mr. Skerrett chose to distinguish from the others.

Mr. Skerrett: My friend is making a complete mistake. I was told by the Committee to confine myself to the excesses of weight.

Mr. Menteath: There was a large number of excesses in price as well as weight.

The Chairman: Over weight or under weight, that would have a good deal to do with overcharge in price.

Mr. Menteath: My friend says he went through the whole of these items. What he has done is this: he has picked out certain items in which overcharge occurs in consequence of excess of weight, and he puts them into a different category. What I wish to emphasize is that the whole of the overcharges represent a very large amount indeed. They are not the trivial amounts which

he would lead the Committee to believe them to be. They are overcharges of large amount when compared with the total of the contract. I have shown the Committee overcharges of £47 0s. 6d.; but on the total list of vouchers, which are now in evidence, it will be found that there is a net overcharge of £62 7s. 10d. on a total of vouchers amounting to £517 2s. 7d.—that is, on the total vouchers put in as exhibits there is a net overcharge, after allowing for undercharges, of £62 7s. 10d. Here is a net overcharge of 10 per cent.

The Chairman: It is more than that; it is 12 per cent.

Mr. Menteath: 12 per cent. I mention that to show that the overcharges are by no means of such a trivial character as my learned friend makes them out to be. On the contrary, they are of a serious character. It is put to the Committee by my learned friend that in the best conducted establishments mistakes of the kind are constantly occurring. But I submit that the measure of legitimate mistakes which are merely involuntary is to be obtained from the vouchers themselves. Take the list put in by the Public Works Department; it shows overcharge to the amount of £47 and undercharge of £2 6s. 9d. Now, I submit that that undercharge of £2 6s. 9d. is the measure of involuntary clerical error contrasted with £44 13s. 9d. of overcharge.

Mr. Skerrett: I must state again that the Committee did not go generally into that overcharge. The present Chairman of the Committee was not here. I was quite prepared to go into that, but it was decided that I should confine myself to excess of weights.

Mr. Menteath: Now, there is another statement to which I would invite the attention of the Committee. It was attempted by my friend to show that during the whole of this period the responsibility for any fraud or overcharge rested upon my client. Then, it is said, he is not to be believed on his oath; and, further, that any testimony of his is to be altogether disregarded. On that view of the case the list put in by the Public Works Department on the system of overcharge throws considerable light. It begins on the 6th February and goes on to the 31st July. On the assumption that Mr. Jenkins was in any way responsible for these overcharges the evidence is totally inexplicable; it cannot be explained by any motive or temptation which would induce a man—more especially a man such as he is described to be—to connect himself with such conduct. The item “sash-cord” appears to have been prior to my client joining Briscoe, MacNeil, and Co., but the list supplies another reason for believing that Jenkins was not alone responsible for the overcharges. My client’s service terminated on 11th May. Down to that date (11th May) from 6th February, there were overcharges to the amount of £32, and to 2nd July £47, as I have stated: so that in about a month and a half, between 11th May and 2nd July, the total overcharge in this class of voucher increased from £32 to £47, and since 2nd July the overcharge appears to be considerably reduced. Thus overcharges to the amount of £15 are added to the list for a period subsequent to the termination of my client’s connection with the firm.

Mr. Skerrett: There is no evidence on that point.

Mr. Menteath: It is important to consider the character of these errors in the light of the admission made by Mr. MacNeil. That admission is very instructive. He says that the errors disclosed by the department indicate the apparent carelessness and blundering that was going on. He goes on to say that it was impossible for him to blame his own responsible servant (Bridson), when such an exceedingly clever young man was working at his elbow; he did not deny the importance of these errors and blunders.

Mr. MacNeil: I said “apparent” blundering.

Mr. Menteath: It might, instead of apparent blundering, be apparent something else, which Mr. MacNeil does not wish to admit; but, because this “very clever” young man comes in the way, he is to be made the scapegoat of all that takes place. I am about to ask the Committee whether, in the light of all the circumstances which the evidence has brought to our knowledge, they do not think the representations made by Messrs. Bridson and Gellatly are incredible. They wish the Committee to believe that Jenkins, who was at the time out of work, was taken on by them at a salary of £1 15s. a week to commence with, in order to keep this contract journal, which Mr. Gellatly had started, so that he might see how this contract was working. This was a new book—it was on the table before the Committee during the whole of these proceedings—and merchants do not buy expensive books like that without a purpose. They ask the Committee to believe that my client was alone responsible for what was taking place, and that they had no part in it. Messrs. Briscoe, MacNeil, and Co. had but recently established this business in Wellington. It would in all probability be a growing business. Would not a young man in the position which my client occupied have every incentive to make this employment the step to higher rank in that service? Would it not occur to a clever young man, even if he were a rogue, to say to himself, “Here is my opportunity to gain the confidence of my employers; if I make myself useful and active in their service I may look forward to speedy promotion and a higher salary, or at the end of such service, through their recommendation, to be acceptable to other employers at a much higher remuneration”? But they ask this Committee to believe that in a few days after Jenkins had entered the service of Messrs. Briscoe, MacNeil, and Co. he proceeded to falsify the entries in the contract journal in a way which he must have known would be discovered sooner or later, and to falsify them with the view of making his employment permanent by obtaining a hold over the firm. Jenkins was comparatively a stranger, and could not have known when he entered this employment the laxity with which the business is alleged to have been carried on. Did this exceedingly clever young man deliberately set himself to get “the sack” in the way described? If these people were themselves honest, would they not detect and punish such conduct as they now impute to him? If he made overcharges by the authority of his superiors, he was only doing what he was told to do. If, on the other hand, he was responsible for these overcharges, he was not only a rogue, but one of the most blundering idiots that ever lived. Is it at all probable? It is admitted that he is clever, and in the face of such an admission the conduct attributed to him is not that of rogue, but of a fool. If they had said he had colluded with some public officer in order to make an illicit profit for himself, that would be the action of a rogue; but there is no suggestion of that kind.

The Chairman : But if his object was to strengthen his position so as to get the employers in his power—what do you say to that?

Mr. Menteath : How could it strengthen his position?—Had the first false entries in the books been made a week or two before his dismissal, when he quarrelled with Bridson—

Mr. Skerrett : He quarrelled with Bridson in less than three weeks after he went there.

Mr. Menteath : When he felt his position unsafe and untenable; then, when he might have known what the firm's want of system was, and that he could probably palm off a number of errors, such a suggestion might be credible. But he could not have had that knowledge when he first entered their service. At that time the motive of an active and clever young man would be, as soon as possible, to get an increase of salary. He must have known that the alteration of these books, if discovered, would have involved his dismissal, and he could, when beginning his service, have had no motive for running the risk. I say all the probabilities are in accord with the statement made by Jenkins as to how these things occurred. The statements made by Messrs. Gellatly and Bridson are highly improbable. The system which one would expect to find in force in any old-established and large commercial firm—the system known as “calling back”—is a process of great importance. Jenkins described that in his evidence, and there was no reason to doubt his statement. Was a large firm like this likely to take a man off the streets at an exceedingly small salary, and leave to his sole and unchecked guidance and control a very important part of their business? But that is exactly what my learned friend asks you to believe. But you are told there was no system of calling-back in force, which would have made it impossible for him to have made these alterations. For a man taken off the streets and acting without any check upon him, the temptation might be too great for ordinary human nature to withstand; but his dishonesty,—if he were dishonest,—would manifest itself in a different way. You would find him in collusion with some one outside: he would send out goods not overcharged, but undercharged, and as the result of his collusion would expect the difference in cash to go into his own pocket. Now, Mr. Jenkins says—and says positively—that the usual system which exists in all large firms existed in this firm. The absence of method described by Mr. Gellatly could not be carried out for any length of time. The Committee had before them two important witnesses—namely, Mr. Gellatly and Mr. Bridson. Mr. Gellatly is not only the manager in Wellington of the business of Briscoe, MacNeil, and Co., but he has a partnership interest in the firm. He has also another interest in this contract, for he is himself the bondsman for the due execution of the contract.

Mr. Guinness : There is no evidence of that.

Mr. Menteath : The bond was put in—whether it was read I am not certain—but Mr. Gellatly is the sole bondsman, in his private capacity, to the Government for the due performance of this contract. Mr. Gellatly had a book specially prepared, by means of which he might keep his finger on the pulse of the contract. It is very natural that a man who has become bondsman for the fulfilment of a large contract should have a record of all transactions in the contract under his control. We have also the fact that Mr. Gellatly, at the date and after my client entered into the service of this firm, did actually some of the posting in this book himself. It is there, written in his own figures. Then, we have Mr. Bridson making this explanation: He said that he had had some words with Jenkins for his presumption in taking on himself the duty of costing the contract journal; yet he allowed Mr. Jenkins to do the entire costing himself, and not only that, but he allowed him to make out all the vouchers which were copies of the costing. Now, in spite of all this, Mr. Gellatly's answer to these accusations of overcharging is that he did not know, and could not have known from the absence of any system of check, that overcharges were being made, or that he did not recollect. This is the answer to the accusation of overcharges and Mr. Bridson's. These answers are very similar to the Chinaman's “Me no savvy”: “It was not done by me, but by this man Jenkins.” Jenkins, they say, had sole control, and yet if he made these overcharges he did so without any reasonable motive and against his own interest. If the Committee can believe that, in the face of the evidence, I have nothing more to say. All these statements to cover these delinquencies are too thin: they appear to me to be impossible of belief. I will leave them there. As to the items, I will be very brief; I will only touch on three or four matters. I will not occupy much of your time with observations of my own. We have the explanations given by Mr. Bridson and Mr. Gellatly as to these particular charges or overcharges. My client, Mr. Jenkins, gave notice to the Public Works Department of thirteen items of overcharge; he has proved eleven out of the thirteen. Out of the eleven, Mr. Bridson is responsible for six.

Mr. Skerrett : It appears to me there were more than thirteen items sent in to the department.

Mr. Menteath : There may have been more sent in to the department; but Jenkins has only given evidence upon thirteen items. But out of the eleven I have mentioned Mr. Bridson's responsibility is proved.

Mr. Skerrett : Mr. Jenkins gave evidence to twenty-six items; there are also totals of overcharge to which he gave evidence: that is the basis of my calculation. If you will refer again to the evidence you will find that he gave evidence to twenty-six items.

Mr. Menteath : The number of items given in evidence by Jenkins may have been twenty-six, or any other number, but the number of items is a matter of very little consequence. The point is, how far Mr. Bridson, the officer in charge of these matters, was responsible for these six overcharges proved to have been made by Bridson himself. They have got the books; Jenkins could only speak from memory. When it was requested that we might be permitted to inspect the books, it was objected that Jenkins was going on a roving commission, trying to fish for evidence, and we were stopped from any reference to the books to enable us to give the necessary evidence in proof of our case—

Mr. Skerrett : I beg your pardon. An offer was made to Mr. Menteath if he pleased to inspect the books with Jenkins, but not that Jenkins by himself should inspect the books.

Mr. Menteath : When we asked to see the contract journal and the voucher-book my learned friend said that some improper use was being made of the books, and they had to be replaced on

the table, and so our investigation of them was put an end to. That, I am sure, would be the recollection of all the members of the Committee who were present. The four items which I would more especially invite the attention of the Committee to are—the sash-cord, the lead, the glass, and the holding-down bolts. There is another to which I should refer—namely, the tents—but that item did not come to the knowledge of the Committee through Mr. Jenkins's evidence. With regard to the lead, the weight was 3cwt.; that was the weight entered in the yard-book. It was entered by Bridson as 3cwt. 3qr. Here, then, is a piece of lead supplied to order weighing 3cwt.—so it was recorded in the yard-book giving the actual weight; but it is entered in Bridson's figures as 3cwt. 3qr., being an increase of weight to the extent of some 25 per cent.—40lb. or 50lb. He cannot get away from that. He is, so to speak, "cornered." What he says about it is this: that according to the contract schedule lead may be ordered in small pieces; that in consequence there is a large amount of waste; that it is the custom of the trade to charge this waste lead without supplying it to the customer; that here there was a legitimate waste of three-quarters, and the custom of the trade authorised his firm to retain that and not hand it over to the customer. Well, if that is the custom of the ironmongery trade, one ceases to wonder how it is that ironmongers make large fortunes. The explanation about this lead stamps the character of these overcharges upon the whole of them. You have only to recollect the effrontery of this man Bridson in this instance to learn the quality of the specious excuses made for conduct in respect to which there can be no excuse. Other explanations given by him are equally impudent. There is the explanation about the tents. I need only mention this, for the Committee have the whole of the evidence before them. All I have to do now is to ask the Committee to consider these and other explanations given by Messrs. Gellatly and Bridson, and to say whether they are not an insult to the common-sense of the Committee. If they are of opinion that they are, then I say the Committee will come to the conclusion that these two persons, acting perhaps on the curious standard of commercial morality admitted by my friend Mr. Skerrett, have been trying to enhance the profits of the firm by systematic overcharges sent into the Public Works Department, whose check was too weak to discover them. I ask the Committee to decide whether, in the face of the evidence given by Messrs. Gellatly and Bridson, this firm Briscoe, MacNeil, and Co., in giving overcharges in to the department, were taking advantage of the insufficient check in the Public Works Department. They placed no check upon a clerk at £1 15s. a week in respect of supplies under a contract which ran into thousands of pounds. They never heard of repeated corrections in vouchers. I ask the Committee to consider whether the attempted explanations by Messrs. Gellatly and Bridson are not, in respect to those five items, an insult to the intelligence of this Committee. If they are not to be relied on in respect to these items they cannot be relied upon in respect of the others. If you find that their statements are inconsistent, that they cannot be accepted, then you will find that my client has done a public service in bringing these matters to the knowledge of the Public Works Department, in order that they might be able to protect themselves and the department in the future against a system of organized overcharging; and I ask that the Committee should mark its sense of such conduct by allowing my client his expenses, so as to recoup him for his loss of time in bringing about a result (whatever his motive may have been) which will be beneficial to the public service. There is a matter which I omitted to refer to, and to which I beg to draw the attention of the Committee now. Mr. Skerrett said there was a discrepancy between the statement made by Mr. Jenkins to Mr. Blow, according to Mr. Blow's evidence, and the statement made here by Mr. Jenkins in regard to the instructions given by Mr. Bridson. Mr. Blow stated that my client represented to him that these instructions were given—to falsify the weights—written on slips of paper, whilst Mr. Jenkins stated here in his evidence that these instructions were verbal. The explanation is that Mr. Blow confused the "slips" which are exhibits in evidence with those notes which my client had taken down—with slips actually written or altered by Mr. Bridson himself. I do not discover anything of that kind in his evidence. I do not discover that there is any discrepancy or confusion so far as my client is concerned. Any discrepancy or confusion that may have arisen may have been the result either of the manner in which Mr. Blow gave his evidence or the minutes he may have taken at the time being confused with Mr. Jenkins's notes given by himself to the Public Works Department in Mr. Blow's absence.

APPENDIX.

STATEMENT containing List of ALLEGED OVERCHARGES put in by Mr. G. HUTCHISON.

		Should be.	Charged.	Correct Price.	Price charged.	Over-charged.
1895.		cwt. qr. lb.	cwt. qr. lb.	£ s. d.	£ s. d.	£ s. d.
Feb.	Ironwork. Survey Department	18 1 0	2337lb.	24 6 0	27 16 7	3 10 7
	District Land. Jumpers	2 1 0	3 0 16	4 4 0	5 17 4	1 13 4
	" Bridge ironwork	12 2 0	13 2 0	16 17 6	18 4 6	1 7 0
	" Tekaromanga	4 1 16	5 1 16	5 18 7½	7 5 7½	1 7 0
	" (Woolf, Alfredton)	3 3 14	4 3 14	5 4 7½	6 11 7½	1 7 0
	" Mangatiti	14 0 3	15 0 3	18 18 8½	20 5 8½	1 7 0
	" Bridge-work, Makuri	14 2 22	15 3 22	19 16 9½	21 10 6½	1 13 9
Feb. 15.	12 lengths lead pipe	1 3 2	2 2 0	1 15 4	2 9 11½	0 14 7½
Mar. 8.	Sash-cord	0 0 7	0 0 12	0 10 6	0 18 0	0 7 6
Feb.	Mount View. Lead pipe	0 0 16	0 0 20	0 2 10	0 3 6¾	0 0 8¾
	" Bolts 9" x 5/8" (bought J. D. & Co.)	0 0 20	0 1 14	0 2 8	0 5 7½	0 2 11½
April.	Workshops. 18 g. iron	0 3 7	1 3 7	0 7 4	0 16 4	0 9 0
	Inspector's house. Piece 5lb. lead	1 0 14	1 2 14	0 16 10½	1 4 4½	0 7 6
	" 12 sheets 11 zinc	1 3 0	2 1 21	2 2 0	2 18 6	0 16 6
March.	Sanitary pipe (Hayes)	1 0 22	1 2 22	0 8 11¾	0 12 8¾	0 3 9
	Ingot tin	0 0 40	0 0 43	1 5 0	1 6 10½	0 1 10½
	20 sheets 10 zinc	2 2 20	2 3 20	3 4 5½	3 10 5½	0 6 0
	Mount View. Piece sheet-lead	3 0 0	3 3 0	2 5 0	2 16 3	0 11 3
	Ministerial residence. Blacklead	0 0 1½	0 0 2	0 0 4	0 0 10	0 0 6
	Workshop. 20' x 90' solid-drawn pipe	2 1 17	2 3 18	13 9 0	16 6 0	2 17 0
	Mount Cook Stores. Flax rope	0 0 19	0 0 28	0 5 0¾	0 7 3¾	0 2 3
April.	Workshop. 5lb. sheet-lead	6 2 8	7 0 8	4 8 7	4 16 1	0 7 6
	Artillery. Cast-steel	0 0 7	0 0 17	0 2 4½	0 5 8½	0 3 4½
	" Sash-line	0 0 4½	0 0 7½	0 6 9	0 11 3	0 4 6
	State Farm. Tail vice	0 1 24	0 2 24	0 16 3	1 5 0	0 8 9
	Public Works. Compo. pipe	0 0 19	0 1 9	0 3 4½	0 6 6½	0 3 2
	Mount View. 36 sqrs. glass (Tingey, 10/4/95)	180ft.	380ft.	3 7 6	7 2 6	3 15 0
March.	Workshop. 20 sheets P.G. iron	2 2 7	2 3 7	3 11 9	3 18 9	0 7 0
	Mount View. 26 sheets 8' iron	3 2 26	4 1 26	3 3 5½	3 16 11½	0 13 6
April.	State Farm. 32 sheets C.G. iron, 8'	4 2 7	5 2 7	3 17 6½	4 14 6½	0 17 0
	" 32 " 9'	5 0 3	6 0 3	4 10 5¾	5 8 5¾	0 18 0
	" 20 " 7'	2 2 0	3 0 21	2 2 6	2 14 1½	0 11 7½
	" 53 " 6' x 7'	4 3 0	5 3 0	4 0 9	4 17 9	0 17 0
				152 12 10½	181 6 4½	28 13 6

Letters put in by Mr. G. Hutchison.

DEAR SIR,—

Wellington, 10th May, 1895.

I have to bring under your notice the fact that quantities of goods supplied under contract to the Public Works Department are being deliberately misstated, and that that department is, in consequence, being charged for quantities of goods which were never delivered.

I have now been aware of this for some time past, but have been unable to determine what my duty was under the circumstances.

I have now decided that, unless the practice is at once discontinued, I shall approach the Hon. the Minister for Public Works and place before him evidence in my possession which I venture to think he will consider conclusive.

I have, &c.,

A. W. Gellatly, Esq.,

JAMES H. JENKINS.

Messrs. Briscoe, MacNeil, and Co.

DEAR SIR,—

Wellington, 11th May, 1895.

I have to acknowledge receipt of your communication of the 10th instant.

As I am aware your statement is entirely without foundation I shall inquire into the matter.

Yours, &c.,

James H. Jenkins, Esq.

A. W. GELLATLY.

Letter put in by Mr. Skerrett.

MEMORANDUM to Mr. J. H. JENKINS, City.

Wellington, 11th May, 1895.

DEAR SIR,—

We have to notify you that your temporary services are no longer required from this date. In lieu of a week's notice we purpose paying you one week's salary, and have to call your attention to enclosed account.

Yours, &c.,

BRISCOE, MACNEIL, & Co. (per A. Newbold).

OVERCHARGES on BRISCOE, MACNEIL, and Co.'s VOUCHERS, 1st January to 30th April, 1895.
(Statements prepared by the Public Works Department, showing Overcharges, Short Charges, and Summary of same, handed in by Mr. Reid during Mr. Wilson's evidence.)

Voucher No.	Article.	Quantity or Price charged.	Correct Quantity or Price.	Excess in Quantity.	Price.	Amount charged.	Correct amount.	Over-charge.
		C. qr. lb.	C. qr. lb.	C. qr. lb.		£ s. d.	£ s. d.	£ s. d.
2079	50ft. composition pipe, 3in.	0 2 0	17lb. 12oz.	38lb. 4oz.	24/-	0 12 0	0 3 5	0 8 7
2227	2 sheets No. 10 zinc	0 1 21	0 1 3	0 0 18	24/-	0 10 6	0 6 7	0 3 11
2229	1 sheet No. 12 zinc	0 1 0	19lb. 14oz.	8lb. 2oz.	24/-	0 6 0	0 4 2	0 1 10
2278	1 piece sheet-lead, 12ft. x 4ft. 6in., 5lb. ..	3 3 0	2 1 18	1 1 10	15/-	2 16 3	1 16 1	1 0 2
2304	1 sheet No. 12 zinc	0 1 0	19lb. 14oz.	8lb. 2oz.	24/-	0 6 0	0 4 2	0 1 10
2306	20ft. composition pipe, 3in. } 30ft. } 1 1/2in. }	0 1 9	12 1/2lb.	24 1/2lb.	24/-	0 6 9	0 2 3	0 4 6
2311	20ft. sanitary-pipe, 2in. } 90ft. } 1 1/2in. }	2 3 18	2 1 15	0 2 3	28/-	4 1 6	3 6 9	0 14 9
2397	20 sheets No. 10 zinc	2 3 24	2 2 20	0 1 4	24/-	3 11 2	3 4 3	0 6 11
	20 " No. 26 p. galvanized iron, 6ft. x 3ft.	2 3 7	2 2 20	0 0 15	32/-	4 10 0	4 5 8	0 4 4
2427	20 holding-down bolts, 9in. x 3/4in. ..	0 1 14	0 0 27	15lbs.	15/-	0 6 0	0 3 7	0 2 4
2492	1 piece sheet-lead, 8ft. x 4ft. 7in., 5lb. ..	2 0 24	1 2 15	0 2 9	15/-	1 13 2	1 4 6	0 8 8
	1 " 20ft. x 4ft. 8in., 4lb. ..	4 1 17	3 1 11	1 0 6	15/-	3 6 0	2 10 2	0 15 10
Feb. 27	4 hanks No. 10 sash-cord	0 0 30	15lb.	15lb.	1/7	2 7 6	1 3 9	1 3 9
2301	6 lengths lead sanitary-pipe	1 2 22	1 1 11	0 1 11	20/-	1 13 11	1 7 0	0 6 11
2372	30ft. sanitary-pipe, 2 1/2in. } 35ft. } 1 1/2in. }	1 1 2	1 1 6	0 1 16	24/-	2 0 9	1 11 3	0 9 6
	1 " 1 1/2in. }	1 1 0	0 0 27	0 2 1	24/-	1 10 0	0 17 9	0 12 3
2431	8 sheets plain galvanized iron, 6ft. 26 g. ..	1 0 20	1 0 8	0 0 12	32/-	1 17 8	1 14 3	0 3 5
2493	4 squares glass, 4ft. 10in. x 10 1/2in., 28oz. } 32 " 4ft. 10in. x 10 1/2in., 28oz. }	380ft.	156ft.	224ft.	0/9	14 5 0	5 17 0	8 8 0
2494	3 squares plate-glass, 56in. x 15 1/2in. ..	20ft.	18ft.	..	2/6	3 0 0	2 5 0	0 15 0
2502	2 " glass, 44in. x 24in., 28oz. ..	10ft.	14ft. 8in.	..	0/9	1 0 0	0 11 0	0 9 0
	3 sheets black iron, 6ft. x 2ft. 6in., 18 g. ..	1 3 7	0 3 3	1 0 4	9/-	0 16 4	0 6 11	0 9 5
2570	4 " 6ft. x 2ft. 6in., 24 g. ..	1 0 4	0 2 4	0 2 0	9/-	0 9 4	0 4 10	0 4 6
2571	1 piece sheet-lead, 6lb., 8ft. x 4ft. ..	1 3 21	1 2 24	0 0 25	15/-	1 9 1	1 5 8	0 3 5
2572	1 " 4lb., 7ft. 6in. x 7ft. ..	2 3 22	1 3 14	1 0 8	15/-	2 4 2	1 8 1	0 16 1
2268	6lb. burnt sienna, dry	1/6	-/3	..	..	0 0 9	0 1 6	0 7 6
2300	20 yards wire-netting, 3 x 1 1/2	-/3	-/2	..	..	0 5 0	0 3 4	0 1 8
2319	15 books transfer gold-leaf	1/6	1/4 1/2	..	..	1 2 6	1 0 7	0 1 11
2348	12 squares plate-glass, 1/2in., 56in. x 15 1/2in. ..	20/- each	6ft., 2/6	..	..	12 0 0	9 0 0	3 0 0
2373	56lb. dry yellow ochre	20/- cwt.	-/1 1/2 lb.	..	..	0 10 0	0 7 0	0 3 0
2398	2 hanks sash-line, No. 10	15lb.	2/- lb.	8lb.	1/7	1 3 9	0 11 1	0 12 8
2399	4 vandyke brown in oil	1/- lb.	15/- cwt.	..	..	0 4 0	0 0 7	0 3 5
2402	1 piece iron wire, gauge 3ft. 5in. x 1ft. 8 1/2in. ..	7/6	5ft. 9in.,	..	..	0 7 6	0 1 5	0 6 1
			-/3	..	..	
2428	5 squares 26oz. glass, 44 x 24	10/-	36ft. 8in.,	..	..	2 10 0	1 4 2	1 5 10
			-/7 1/2	..	..	
2431	3 lengths gas-pipe, 1/2in.	40ft. 4in.	40ft. 4in.,	..	..	0 5 1	0 3 5	0 1 8
			1 1/2d.	-/1	..			
2464	8 galvanised nipples, each, 1/2in., 1/4in. ..	1/2in. 3d.,	6 1/2 % dis.	..	..	0 3 4	0 1 3	0 2 1
		1/2in. 2d.	..	..	..
2476	100ft. gilt picture-cord	2/6	2/-	..	..	0 2 6	0 2 0	0 0 6
2488A	6lb. slate nails, 2in.	-/6	30/- cwt.	..	..	0 3 0	0 1 7	0 1 5
2489	4 hanks, sash cord, No. 8	30lb.	9lb.	21lb.	1/6	2 15 0	0 13 6	2 1 6
2495	8 16in. enamelled iron basins, with plug and washer	6/6	3/- each	..	..	2 12 0	1 4 0	1 8 0
2540	1 bib-cock, 3/4in.	5/6	2/6	..	..	0 5 6	0 2 6	0 3 0
2541	1 gallon gold size	25/-	20/-	..	..	1 5 0	1 0 0	0 5 0
2570	14lb. 2 1/2in. floor-brads	14/- cwt.	10/- cwt.	..	..	0 1 9	0 1 3	0 0 6
	14lb. 2in. finishing-nails	-/6	-/3	..	..	0 7 0	0 3 6	0 3 6
2572	1 hose-cock, h.p., 3/4in.	5/-	2/6	..	..	0 5 0	0 2 6	0 2 6
2573	30oz. drawer-knobs, imitation mahogany ..	15/-	1/3	..	..	2 5 0	0 3 9	2 1 3
2598	1 square glass, 21oz., 36 x 32	4/6	8ft. -/4 1/2	..	..	0 4 6	0 3 0	0 1 6
2599	1 " 1/2in., 46 x 26	30/-	8ft. 3in.,	..	..	1 10 8	1 0 8	0 10 0
			2/6	..	..	
2601	1 gross screws, 4 x 16, 4 1/2 x 16	8/1, 10/-	55% dis.	..	..	0 8 2	0 7 8	0 0 6
2602	1 square glass, 21oz., 44 x 28	5/-	8ft. 6in.,	..	..	0 5 0	0 3 3	0 1 9
	1 " " 36 x 22	3/6	5ft. 6in.,	..	..	0 3 6	0 2 1	0 1 5
			-/4 1/2	..	..	
2603	1 enamelled toilet basin 16in., with plug and washer	7/6	3/-	..	..	0 7 6	0 3 0	0 4 6
2631	24 opal gas globes	2/-	-/10	..	..	2 8 0	1 0 0	1 8 0
2633	1 square glass, 48 x 40, 28oz.	15ft.	13ft. 4in.	1ft. 8in.	-/9	0 11 3	0 10 0	0 1 3
2634	4 dome top fire-guards, 24in.	7/6	1/-	..	..	1 10 0	0 4 0	1 6 0
2640	12 brass unions, 3/4in.	-/9	-/5	..	..	0 9 0	0 5 0	0 4 0
2641	10lb. caustic soda in tin	-/6	-/3	..	..	0 5 0	0 2 6	0 2 6
2642A	3 bolts and nuts, 17 1/2 x 5/8, 12lb. ..	-/6	15cwt.	..	..	0 6 0	0 1 8	0 4 4
	6 iron washers, 2 x 2 x 1/4, 4lb. ..	-/3	-/2	..	..	0 1 0	0 0 8	0 0 4
	4 enamelled toilet-basins, with plugs and washers	7/6	3/-	..	..	1 10 0	0 12 0	0 18 0
2643	2 pieces brass-wire, gauge 3-5in. x 2-0in. ..	17ft.	13ft. 8in.	3ft. 4in.	-/6	0 8 6	0 6 10	0 1 8
2645	1 American broom	2/6	1/3	..	..	0 2 6	0 1 3	0 1 3
2693	3 bolts scrim, No. 3, 159yds.	-/5	-/3 1/2	..	..	3 2 6	2 3 9	0 18 9
2694	4 Hobbs's drawer locks	5/-	2/6	..	..	1 0 0	0 10 0	0 10 0
2695	100ft. gilt picture-cord	17/6	2/-	..	..	0 17 6	0 2 0	0 15 6
2717	10 cast-iron gratings, 12 x 6	2/-	1/-	..	..	1 0 0	0 10 0	0 10 0
	7 " 8 x 6	1/6	1/-	..	..	0 10 6	0 7 0	0 3 6
	1 1/2 gross S.L. sash-cord, 7-13 1/2lb. ..	1/7	1/6	..	..	1 1 5	1 0 3	0 1 2
2720	100ft. gilt picture-cord	17/6	2/-	..	..	0 17 6	0 2 0	0 15 6
2731	15 squares plate-glass, 44 x 24	8/- each	110ft. -/6	..	..	6 0 0	2 15 0	3 5 0
2734	3 reap-hooks, No. 4	3/-	-/10	..	..	0 9 0	0 2 6	0 6 6
2750	115ft. I.R. hose, 3/4in., 2-ply	-/6	-/4 1/2	..	..	2 19 0	2 3 1	0 15 11
2772	1 square fluted glass, 42 x 24	7/6	7ft., -/6	..	..	0 7 6	0 3 6	0 4 0
2773	1 doz. till-locks, 2 1/2in.	48/-	10/6	..	..	2 8 0	0 10 6	1 17 6
	1 rim staple, 8in.	2/-	-/4	..	..	0 2 0	0 0 4	0 1 8
2774	25ft. galvanized hoop-iron, 1 1/2 x 16 gauge ..	17lb.	14lb.	3lb.	..	0 2 3	0 2 0	0 0 3
2842	10in. blind tacks, each, 1/2, 5/8, 3/4	-/2 1/2	-/2	..	..	0 5 8	0 5 0	0 0 8
1120	Sash-cord, 10 hanks	75lb.	20lb.	55lb.	1/6	5 12 6	1 10 0	4 2 6
	12 sheets No. 11 zinc	2 1 21	1 3 14	27lb.	24/-	2 18 6	2 5 0	0 13 6
						124 5 0	72 8 6	51 16 6

SHORT-CHARGED ON MESSRS. BRISCOE, MACNEIL, and Co.'s VOUCHERS from 6th February to 31st July, 1895.

Voucher No.	Article.	Quantity charged.	Correct Weight.	Weight short-charged.	Price.	Amount charged.	Correct Amount.	Amount short-charged.
2338	20 sheets plain galvanised iron, 6ft., 26 gauge	Cwt. qr. lb. 2 2 3	Cwt. qr. lb. 2 2 20	Cwt. qr. lb. 0 0 17	32/6	£ s. d. 4 2 2	£ s. d. 4 7 0	£ s. d. 0 4 10
2402	30 ditto ...	2 2 23	4 0 2	1 1 7	32/0	4 6 7	6 8 6	2 1 11
		...	...	...	...	8 8 9	10 15 6	2 6 9

SUMMARY of EXCESS and SHORT CHARGES in BRISCOE, MACNEIL, and Co.'s VOUCHERS from 6th February to 31st July, 1895.

	Amount charged.	Correct Amount.	Overcharged.	Short-charged.	Total Overcharge.
Vouchers ...	£ s. d. 124 5 0	£ s. d. 72 8 6	£ s. d. 51 16 6	£ s. d. 2 6 9	£ s. d. 49 9 9

STATEMENT showing GROSS AMOUNT of PURCHASES from BRISCOE, McNEIL, AND Co., during Months of February–July, 1895.

Put in by Mr. Skerrett.

	February.	March.	April.	May.	June.	July.
Totals ...	£ s. d. 529 16 6	£ s. d. 1,093 19 3	£ s. d. 1,533 19 2	£ s. d. 877 16 1	£ s. d. 874 4 8	£ s. d. 538 8 6
Deduct, Railways ...	113 14 1	457 15 0	430 12 10	409 19 7	283 17 11	221 5 1
	416 2 5	636 4 3	1,103 6 4	467 16 6	590 6 9	317 3 5

Total for Public Works ...	£ s. d. 5,448 4 2
Less Railways ...	2,013 2 10
	<u>£3,435 1 4</u>

STATEMENT of ERRONEOUS DEDUCTIONS on the Part of the Public Works Department.

Put in by Mr. Skerrett.

Wellington, 17th September, 1895.

Featherston Courthouse—	£ s. d.
6 wire fire-guards charged at 1s. each, should have been 7s. 6d. = 6	
at 6s. 6d. ...	1 19 0
Palmerston Courthouse—	
4 wire fire-guards charged at 1s. each, should have been 7s. 6d. = 4	
at 6s. 6d. ...	1 6 0
Voucher 112. May—	
100ft. gilt picture-cord 2s., should have been 17s. 6d. = 100 at 15s. 6d.	0 15 6
Voucher 12. June—	
100ft. gilt picture-cord 2s., should have been 17s. 6d. = 100 at 15s. 6d.	0 15 6
	<u>£4 16 0</u>

Invoice put in b Mr. Knight.

Messrs. BRISCOE, MACNEIL, & Co.

29th March, 1895.

Bought of R. G. KNIGHT.

				£	s.	d.
7	8 x 10 tents,	(25s.)	...	18s.	6	6 0
13	12 x 14 flies,	(15s.)	...	10s.	6	10 0
1	10 x 12 tent,	(32s. 6d.)	...		1	4 6
1	14 x 16 fly,	(20s.)	...		0	14 6
				Net	£14	15 0
Survey Department					1	2 0
					0	3 0
					16	0 0
Discount on £1 5s.					0	0 8
					£15	19 4

In future the price of the 14 x 16 fly "a" will be 15s. 6d.—R. G. Knight, per G.S.K.

Invoice supplied by Miss Knight, and put in at Mr. Skerrett's request.

Messrs. BRISCOE, MACNEIL, & Co.

September, 1895.

Dr. to R. G. KNIGHT, Customhouse Quay.

				£	s.	d.
1895.	Feb. 26.	Cotton	...	0	0	4
	Mar. 5.	1 8 x 10 tent and fly O	...	1	2	0
	" 15.	Stropping blocks	...	0	3	0
	" 28.	7 8 x 10 tents,	18s.	6	6	0
	" 28.	13 12 x 14 flies,	10s.	6	10	0
	" 28.	1 10 x 12 tent,	24s. 6d.	1	4	6
	" 28.	1 14 x 16 fly,	14s. 6d.	0	14	6
	April 1.	8 8 x 10 tents,	18s. 0d.	7	4	0
	" 1.	12 12 x 14 flies,	10s. 0d.	6	0	0
	" 1.	1 14 x 16 flies,	14s. 6d.	0	14	6
	" 2.	6lb. best seaming-twine	...	0	11	0
	" 2.	2 tents 10 x 12 and flies O qual.,	28s.	2	16	0
	May 23.	10 8 x 10 tents,	26s. 0d.	13	0	0
	" 23.	15 12 x 14 flies,	16s. 0d.	12	0	0

EXTRACT from the GOVERNMENT STORES SUPPLY AND DELIVERY CONTRACT, 1895, with BRISCOE, MACNEIL, & Co.

No.	Description of Article.	Item.	Rate.				
			Auckland.	Wellington.	Christchurch.	Dunedin.	Invercargill.
CLASS VII.—Tents.							
1	Tents, calico, 8ft. x 10ft.	Each		25/	16/	14/6	14/6
2	" 10ft. x 12ft.	"		32/6	21/	19/	19/
3	Tent-flies, 12ft. x 14ft.	"		15/	11/6	9/6	9/6
4	" 14ft. x 16ft.	"		20/	14/	12/6	12/6
Tents to be made of calico, sewn with double seam, and provided with rope claws (not over 3ft. apart), eyelets, &c., complete. Flies to be roped round inside of hem, and seams to be sewn as in tents. Tents and flies to be as per sample to be seen at the Public Works Offices, Auckland, Wellington, Christchurch, and Dunedin.			No contract.				

Approximate Cost of Paper.—Preparation, not given; printing (1,600 copies), £66.

By Authority: SAMUEL COSTALL, Government Printer, Wellington.—1895.