

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. Menteath 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. Menteath) to conduct the case for Jenkins would have considerable significance. Mr. Menteath 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