I.—7A. 81

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. 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 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 pricarried he consults the son-in-law of a previous 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

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 11—I. 7A.