

*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.