

(No. 84.)



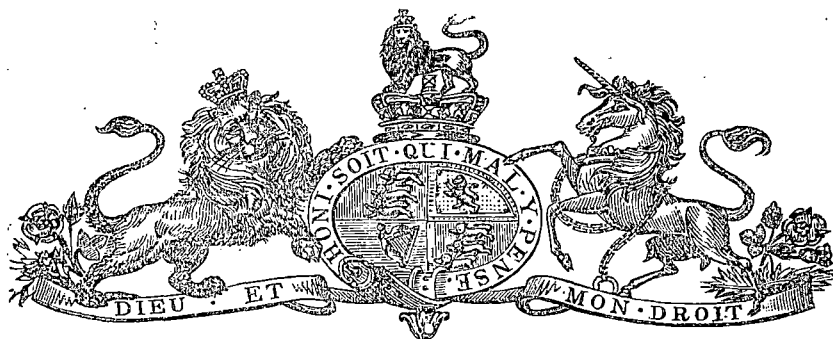
1893.

PARLIAMENT OF TASMANIA.

MR. HEDLEY BUTTON'S STATIONERY CONTRACT :

REPORT OF SELECT COMMITTEE, WITH MINUTES OF
PROCEEDINGS, EVIDENCE, AND CORRESPONDENCE.

Brought up by Mr. M'Call, October 20, 1893, and ordered by the House of
Assembly to be printed.



SELECT COMMITTEE appointed, on the 18th August, 1893, to enquire into and report upon the Papers and Correspondence relating to Mr. H. Button's Contract for Stationery.

MEMBERS OF THE COMMITTEE.

MR. TREASURER.	MR. DUMARESQ.
MR. A. INGLIS-CLARK.	MR. WOOLNOUGH.
MR. MACKENZIE.	MR. M'CALL. (<i>Mover.</i>)
MR. REIBEY.	

DAYS OF MEETING.

Wednesday, August 23; Wednesday, September 13; Thursday, September 14; Thursday, October 19; Friday, October 20.

WITNESSES EXAMINED.

Mr. H. Hull, Acting Colonial Storekeeper; Mr. W. Lovett, Auditor-General; Hon. B. S. Bird, M.H.A.; Mr. Hedley Button, Launceston; Mr. J. W. Israel, Deputy Auditor-General.

EXPENSES OF WITNESS.

Mr. Hedley Button, £4 3s. 6d.

R E P O R T.

YOUR Committee have the honor to report that they have given their most earnest attention to the question submitted to them by your Honorable House.

That they have obtained and duly considered all evidence, oral and documentary, which was available in the Colony.

That much of the evidence obtained is of a conflicting nature, and that the inconsistencies in such evidence can only be reconciled by the presence and examination of the Colonial Storekeeper, Mr. C. H. Huxtable, now residing in South Australia, and whose return during the present Session is doubtful.

Under these circumstances your Committee have the honor to present the collected Evidence, with Appendices, to your Honorable House to be dealt with on a future occasion, should it be deemed necessary.

J. M'CALL, *Chairman.*

Committee Room, 13th October, 1893.

MINUTES OF PROCEEDINGS.

WEDNESDAY, AUGUST 23, 1893.

The Committee met at 11 A.M.

Present.—Mr. Dumaresq, Mr. Mackenzie, Mr. Woollnough, Mr. Treasurer, Mr. M'Call (Mover.)

Mr. M'Call was voted to the Chair.

Ordered, That all Papers and Correspondence in connection with the case under enquiry be printed. *Vide* Appendix A.

Resolved, That the following witnesses be summoned on dates to be hereafter determined by the Committee: Mr. H. Hull, Acting Colonial Storekeeper; Hon. B. S. Bird; The Auditor-General; The Deputy Auditor-General; Mr. Hedley Button.

The Committee adjourned till a date to be hereafter determined by the Chairman.

WEDNESDAY, SEPTEMBER 13, 1893.

The Committee met at 11 A.M.

Present.—Mr. Dumaresq, Mr. Mackenzie, Mr. Treasurer, Mr. Woollnough, Mr. M'Call (Chairman).

The Minutes of the last Meeting were read and confirmed.

Mr. Hugh Hull, Acting Colonial Storekeeper, was called in and examined.

Mr. Hull withdrew.

Mr. William Lovett, Auditor-General, was called in and examined.

Mr. Lovett withdrew.

At 12:50 P.M. the Committee adjourned until 11 A.M. on Thursday, the 14th instant.

THURSDAY, SEPTEMBER 14, 1893.

The Committee met at 11 A.M.

Present.—Mr. Dumaresq, Mr. Woollnough, Mr. Treasurer, Mr. Mackenzie, Mr. M'Call (Chairman).

The Minutes of the last Meeting were read and confirmed.

Mr. Hedley Button was called in and examined.

Mr. Button withdrew.

Mr. Woollnough placed on record his appreciation of the satisfactory manner in which Mr. Button had given his evidence.

A memorandum was read from the Acting Colonial Storekeeper asking for permission to correct his statement as to the value of stationery in store from £6000 to £12,913. (Statement corrected accordingly.)

The Committee, at 12:45 P.M., adjourned till a date to be hereafter determined by the Chairman.

THURSDAY, OCTOBER 19, 1893.

The Committee met at 11:35 A.M.

Present.—Mr. Dumaresq, Mr. Mackenzie, and Mr. M'Call (Chairman).

The Minutes of the last Meeting were read and confirmed.

The Committee deliberated.

Mr. John Israel, Deputy-Auditor, was called in and examined.

Mr. Israel withdrew.

The Committee deliberated.

The Committee adjourned until 11:30 A.M. on Friday, 20th October.

FRIDAY, OCTOBER 20, 1893.

The Committee met at 11:30 A.M.

Present.—Mr. Mackenzie, Mr. Dumaresq, Mr. Woollnough, and Mr. M'Call (Chairman).

The Minutes of the last Meeting were read and confirmed.

The draft Report was tabled and agreed to.

Accounts paid—Claim of Mr. J. M'Williams for transcription of Appendix A., £5; Mr. Hedley Button, expenses, £4 3s. 6d.

The Committee adjourned *sine die*.

EVIDENCE.

WEDNESDAY, SEPTEMBER 13, 1893.

MR. HUGH HULL, *called and examined.*

1. *By the Chairman.*—What is your name? Hugh Hull.

2. What are you? Acting Storekeeper.

3. Do you know the subject that this Select Committee has been appointed to enquire into? Yes.

4. Will you state all you know of the circumstances leading up to the contract between Mr. Hedley Button and the late Government for the supply of stationery? The first time I knew anything of the matter was in 1891, when Mr. Button approached the Government on the subject of supplying the Public Service with stationery, and pointing out that a very considerable saving might be effected by obtaining the supplies nearer home than had been the custom. He had an interview with Mr. Bird, which resulted in his being referred to Mr. Huxtable, the Colonial Storekeeper, to get the necessary information in regard to our requirements. It just happened then that we were preparing an estimate of the quantity of stationery required for the service of 1892, and a rough statement of the articles required was furnished to Mr. Button for the insertion of the prices at which he could supply the Government. This was filled up and presented to the Treasurer for inspection, but the document did not give sufficient information, and was therefore returned to the office to be worked out in a more elaborate form: each article with its rate and amount was to be shown, also a comparison between the prices of the article in England and the price asked for it by Mr. Button. This resulted in Mr. Bird deciding to call for tenders for stationery from persons in the colony or colonies, and the necessary schedules were prepared and circulars sent to the various local stationers, and also to Melbourne houses. A number of tenders were received, and the Tender Board met in due course on 15th July, 1891, I think, to discuss them. They were all set forth in a schedule showing the names of the tenderers and the various rates they charged. The Board met in the morning and adjourned, sending the papers back to be looked into and put into more shipshape form, as it was the first time these matters had been dealt with, and we were all new to it. At last, when the Board met, certain tenders were accepted from Melbourne and local firms, but none from Mr. Button. The amounts of his schedules were so enormously in excess of the Melbourne and local prices that he really stood no show whatever. Beyond this point I am not able to speak with any degree of certainty, but I believe that Mr. Button submitted an amended set of schedules which showed a very considerable reduction on those first placed in the tender-box. I would like to say here that that meeting of the Tender Board I have referred to was the first and only appearance of the Board in this matter at all.

5. Do you know the date of this meeting? The Board met on July 17th, 1891, when the tenders were received and opened. It then adjourned to 3 P.M. of the same afternoon when the following tenders were accepted:—No. 1, Propsting and Robey; Nos. 2 and 3, Cowan and Sons; No. 4, Sands and M'Dougall; No. 5, J. Spicer and Sons; Nos. 6 and 7, Wm. Detmold; and No. 8, Walch and Sons.

6. I see all the schedules with the exception of No. 4 are initialled "B.S.B."—in some cases with a query. Do you know anything of that? I am not able to say anything of what that query is for. The reason why No. 4 is not initialled is that when the invitation to tender was sent to the other colonies the Treasurer decided that Schedules Nos. 1 to 4 (account books and general stationery) were not to go outside the colony. But Messrs. Sands and M'Dougall were permitted by the Colonial Storekeeper to submit a tender, and the Board approved of it, but it was not in accordance with the notification, and it would have been irregular to have given them the contract, especially as other Melbourne firms were debarred in the terms of the notice. After July 17th the Tender Board had nothing more to do with the matter, and all that took place was between the Colonial Storekeeper and the Treasurer.

7. You know nothing more of the matter, of your own knowledge, until Mr. Button's supplies came forward? No.

8. And then how were you off for stationery? The supply of stationery by Mr. Button in 1892 was decidedly premature; it could have well stood over for another twelve months or longer, as I can show you; I have papers here which give convincing proof of that. There was no necessity whatever for it.

9. What was the quality of the goods? The quality is excellent, and will bear favourable comparison with the English article, and is in many cases superior to the Melbourne and local articles. The goods were all well packed and the papers well up to weight, many of them being in excess of the schedule weight, and, with one or two very small exceptions, the articles were all of a very superior quality.

10. Have you any idea how it is that we are spending so much more than is necessary in England for stationery? No, I don't know how that is. From 1874 to 1891, the period during which I have been in the office, we have been in the habit of obtaining a statement of the requirements of the Public Service, and forwarding it to the Agent-General with patterns, and he obtains the goods by tender, and we receive them. They have been obtained almost wholly from Messrs. Waterlow and Sons since 1878.

11. Did not Mr. Button approach the Government and point out the possibility of effecting a large saving to the colony in obtaining stationery? My own opinion in reference to the matter was that one of the points in giving Mr. Button these schedules was that it was intended to provide a large amount of work

in the colony, and keep a large number of tradespeople at work at bookbinding, envelope-printing, and paper-ruling. That was considered a very important point, but it was not carried out at all as far as I know, so there was no saving in that respect.

12. We have to thank Mr. Button for pointing out how a large saving could be affected in purchasing our supplies of stationery? Certainly.

13. Are you aware, from the Colonial Storekeeper or the Treasurer, whether the latter was influenced by this fact in giving Mr. Button the schedule? No, I have no knowledge on that point. I was as surprised as I could possibly be when I heard that the contract was given to him, because it has been my duty to arrange for the supplies of the Public Service, and if I had been asked the question as to whether these things were necessary or not, I should have replied that they certainly were not.

14. Would you consider you were doing your duty to the colony if you gave a contract in which it might be necessary to pay an additional amount to anyone who put you in the way of saving large sums? Anyone who shows a direct route to economy is deserving of some consideration. Mr. Hedley Button was undoubtedly the first to move in the matter, and the saving as shown between the Melbourne tenders and the English prices is very substantial.

15. *By Mr. Mackenzie.*—The Board of Tenders did not accept Mr. Button's tenders, as they were all too high? Yes, they were all very much in excess of the others.

16. And tenders were invited after Mr. Button had told the Government that he would be able to supply them at a cheaper rate than the English prices? Yes.

17. They were all rejected? Yes.

18. You did not call for tenders again? No.

19. *By Mr. Woolnough.*—Did the idea of getting cheaper goods originate with Mr. Button? He was the first, that I am aware of, who brought the matter under the notice of the Government.

20. Your knowledge ends with the Board's dealing with the matter? With the final acceptance of the tenders by the Board.

21. Are you aware whether or not there was any gradual increase in the prices charged for these supplies in London before Mr. Button came on the carpet? No, Sir. The prices charged by Waterlow and Sons for the stationery was almost the same from year to year; there was little or no difference.

22. Their prices were always higher than the prices shown to be obtainable by Mr. Button and ultimately accepted? Yes.

23. The Government was not at all committed to Mr. Button, or they would not have advertised for tenders? No, it was open to everyone.

24. The situation is this:—Mr. Button brought the idea before the Ministry, and upon that, without any further arrangement with Mr. Button, tenders were called for? Yes.

25. After the tenders were before the Board, you have no knowledge of what happened? No, I am not able to speak of what follows after that.

26. *By Mr. Henry.*—Can you give us any approximation of the value of the stationery in the Store in August of last year? Stock was taken in September, but I have not the figures. I should say it must have been about £6000.

27. In stock? Yes. That of course would represent the value of Mr. Button's contracts and the Melbourne supplies also. Nothing has been added to the stock since.

28. What is the value of the stock of stationery now? I think it is about £12,913. The value of the paper I had in store on 30th June, 1893, was £3970. The paper had been imported specially for railway purposes. It represented a stock of 5000 reams of paper.

29. Do you regard it as an excessive stock? It certainly is in excess of requirements. It was imported for railway work and has not been used for that purpose.

30. Can you say what was the value of the stock in July, 1891, when these tenders were called for? The value of the stationery imported in 1891 was £1075.

31. That is not the question? No, I cannot give the information.

32. I want to know what stock you had when these tenders were invited? I have not the information.

33. You invited tenders for what you considered sufficient stock for what period? To carry us to 31st December, 1892.

34. You accepted those tenders? Yes.

35. What was the effect of practically duplicating those orders through Mr. Button? It simply doubled the cost and increased the already overburdened stock of papers.

36. In other words, at that time you ordered double the quantity you required? When the contract was given to Mr. Button double the quantity was ordered.

37. What was the gross amount of the tenders approved of by the Tender Board on 17th July, 1891, or rather, can you tell us the amount of the schedule tenders 2 to 7,—that will be the better plan, because certain schedules were given to local tenderers? The tenders are as follows:—Schedule No. 2, Cowan & Sons, £962 12s. 9d.; Schedule No. 3, Cowan & Sons, £504 17s. 3d.; Schedule No. 4, Sands & M'Dougall, £537 19s. 0½d.; Schedule No. 5, J. Spicer & Sons, £2936 3s. 10d.; Schedule No. 6, Wm. Detmold, £1015 12s. 2d. No. 6 was withdrawn afterwards and given to Spicer & Sons, and Schedule No. 7 was also given to Detmold & Co. at £287 15s. 11d.

38. What do you make the total? £5707 1s. 11d.

39. These amounts you have given for Schedules 2, 3, 5, 6, and 7 were the lowest tenders at that time? Yes, they were the lowest tenders.

40. Can you tell us the amount of Mr. Button's tenders for the same schedules? Yes; they are as follows:—Schedule No. 2, £1555 10s. 4d.; Schedule No. 3, £978 19s. 11d.; Schedule No. 5, £4314 3s. 7d.; Schedule No. 6, £1796 10s. 10d.; and Schedule No. 7, £489 3s. 7d. Total £9134 8s. 3d.

41. How much was Mr. Button's first tender in excess of the lowest tenders for these schedules? £3427 6s. 4d.

42. Are you aware that Mr. Button was allowed to amend his tender? Yes.

43. Is not that a most unusual course? Yes, very.

44. Can you tell us what his second tender amounted to? You will find it on page 3 of the printed letters. The amounts for the various schedules are as follows:—Schedule No. 2, £1301 3s. 5d.; Schedule No. 3, £763 3s.; Schedule No. 5, £4190 8s. 7d.; Schedule No. 6, £1698 6s. 5d.; and Schedule No. 7, £430 14s.

45. What do you make the total? £8383 15s. 5d.

46. How much was that in excess of the lowest tenders for similar schedules? £2676 13s. 6d.

47. Was that tender accepted? No.

48. Are you quite sure? Yes.

49. Are you sure Mr. Button's second tender was not accepted? No, it was not.

50. Have you made yourself acquainted with the whole of the correspondence in the matter? I have read it through as far as possible.

51. Can you explain, then, why the late Treasurer admitted that Mr. Button had a claim on the Government, and entered into a subsequent arrangement with him? Are you not aware from the correspondence that Mr. Button had ordered these goods from England? No, Sir, I am not.

52. Will you refer to page 7 of the printed correspondence? There is a letter there dated 31st July, 1891. Will you look at the words, "of course, as I anticipated no kind of hitch, I have ordered line by cable as promised, and placed other orders by mail to save time, and trust you will be able to arrange matters satisfactorily." What do you understand from that? I do not understand it.

53. This correspondence is in your department, is it not? Yes.

54. Those tenders which were accepted were afterwards cancelled? Yes.

55. Have you any idea why? No.

56. Was it not with a view of giving the contract to Mr. Button?—does it not appear so from the correspondence? Yes, Sir, it does.

57. Was there not a third arrangement entered into? There appears to be another distinct set of schedules presented by Mr. Button, making three altogether, not shown on page 4 of the correspondence.

58. Can you tell us the nature of that arrangement? No, I am not able to.

59. Cannot you tell us the terms on which this third arrangement was made? No; I had nothing whatever to do with the matter.

60. All the schedules are in your hands? Yes.

61. Have you not read the terms on which the goods were to be supplied? No.

62. Is it not your duty to see that the goods are received in accordance with contract? Yes.

63. How, then, can you say you know nothing about the third arrangement? In the contract entered into with Mr. Button at present the schedules bore no figures whatever.

64. Do you know the terms on which Mr. Button supplied the goods? Yes.

65. What are those terms? That he was to have an advance of 10 per cent., provided that the cost of the goods, including duties, wharfage, and all charges, did not exceed the average of the Melbourne tenders.

66. What was the effect of that arrangement?—did the Colony lose or gain by it? We lost money in interest; £150 of interest was lost on the transaction.

67. Will you turn to page 17 of the printed correspondence: You will see there a Return marked "checked by Hugh Hull, C.C." Is that a correct Return? Yes, it is correct.

68. Do those figures show the result of the arrangement by which the contract was given to Mr. Button instead of to the Melbourne tenderers? Yes.

69. Can you give the resulting loss to the country in figures according to your statement in the correspondence? There is a difference of £974 between the accepted Melbourne tenders and Mr. Button's.

70. In other words, had we doubled the orders from these Melbourne firms instead of giving the contract to Mr. Button, how much would the Colony have saved? Roundly, £1000.

71. That is tantamount to saying that there was £1000 thrown away in the purchases so obtained? Certainly.

72. What was the difference between the purchases from the Melbourne contractors and the purchases through the Agent-General? There was a difference in favour of the Melbourne contractors of £2300.

73. In other words, the same goods cost £2300 more when purchased through the Agent-General? Yes.

74. And you say that the goods you received from Mr. Button and the Melbourne firms were equal if not superior, at least in the case of Mr. Button, to those supplied by the Agent-General? Yes.

75. Can this great difference in price be accounted for by a difference in quality? No, Sir, not at all.

76. You say that the goods supplied by Mr. Button were in many cases superior to those supplied by the Agent-General? Yes.

77. In giving the amount of loss at £1000 roughly speaking, have you taken into account the interest that has been running on against the excess stock? Yes; £894 is the difference between Mr. Button's contract and the Melbourne prices, and £205 9s. is the interest now lost on the excess stock.

78. You say there was a desire on the part of the Treasurer to give work to local firms? Yes.

79. You have had occasion to see the way in which Mr. Button has been dealt with since I have been Treasurer? Yes.

80. Has it struck you that there was any laxity shown on my part in dealing with Mr. Button? No, none whatever.

81. (*Mr. Henry to the Chairman.*)—It has been broadly stated that I have purposely shielded Mr. Button in this matter as a consideration for the support of this Government by a newspaper he is concerned in, and it is to obtain a refutation of that statement that I asked the question.

82. (*Examination resumed.*) *By the Chairman.*—Will you look at page 1 of the printed correspondence. There is an endorsement on the Under Treasurer's Memorandum, signed by the Colonial Storekeeper, where it is pointed out that Mr. C. E. Davies made an offer somewhat similar to the one referred to as being made by Mr. Button, and was referred to the Agent-General. Have you any idea of what Mr. C. E. Davies's offer was, and what is meant by referring him to the Agent-General? No, I am not able to say.

83. Can you tell us whether, after the Colonial Storekeeper was instructed to call for tenders in the Colony, tenders were invited from the other colonies? As far as I can remember, the instructions from the Treasurer were to call for tenders from intercolonial and local firms.

84. *By Mr. Henry.*—Will you look at page 7, because there is some doubt as to whether this contract of Mr. Button's was accepted or not. Look at the Memorandum signed "B. S. B., 5.8.91," and read the last clause: "Explain that I should not have accepted his tender in the first instance if I had known that his father was not the tenderer, as it now appears he was not." Is it not clear from that that a tender was accepted? Yes, Sir.

85. Does he not base his claim for acting on this new arrangement on the very fact that the tender was accepted, though, unfortunately, the correspondence does not disclose it except in this indirect way? It appears that a tender has been accepted.

86. As far as you know there were only two tenders,—the first and the amended tenders? Yes.

87. Those are the only ones you know of? Yes.

88. And you say the effect of accepting that second tender was to lose £2676 to the Colony? Yes.

89. Will you refer to Mr. Hedley Button's memorandum on page 7, dated 1st August, 1891. It is as follows:—

Launceston, 1st August, 1891.

SUGGESTIONS for the consideration of the Hon. the Treasurer:—

1. Order for parchment to be cancelled, except special lines cabled for.
2. Delivery of the whole order to be delayed until July or later next year, 1892.
3. All articles, if purchased at lower rates than quotations have been based on, Mr. Hedley Button will be content with a profit of ten per cent. on invoice cash prices. Conditions of old contract to be withdrawn on completion of above arrangement; charges and duty in addition.

HEDLEY BUTTON.

Does not that appear to indicate that there had been a contract? Yes.

90. Of which you know nothing? Yes, I know nothing of it.

91. The subsequent arrangement about this 10 per cent. was apparently an amendment of that contract? Or a new proposal altogether.

92. But it was a proposal resulting from the abandonment of that contract? Yes.

93. Is it not clear to you that Mr. Button effected this final bargain with the Government in consequence of abandoning that contract? Yes.

94. It appears right through that he made it a condition, if he abandoned the contract of which you know nothing, that he got this concession of 10 per cent. as profit in excess of the prices at which the Colony could then buy the same goods? Yes.

95. *By the Chairman.*—You have stated that it was a very unusual thing for anyone to amend their tenders. Is it an unusual thing for tenderers to make an offer to the Government after the tenders are finally disposed of by the Tender Board?

96. There is nothing to show that there was anything dishonorable in connection with this alteration in Mr. Button's tenders? No, not at all.

97. It is simply an offer, not exactly an amendment of the tender? Yes.

98. On page 1 there is the following Memo. from the late Treasurer to the Colonial Storekeeper:—

Colonial Storekeeper.

It seems to me that we might with advantage get this done in the Colony. Will you prepare at once an advertisement with all necessary particulars, which can be forwarded to such persons as are likely to tender in the Colony?

B. S. BIRD.
12. 6. 91.

99. Do you know whether he went outside the Colony? Yes.

100. *By Mr. Woolnough.*—Mr. Button's first tender was in excess of the total of the Melbourne tenders to the extent of £3427 6s. 4d.? Yes.

101. And his amended tender was in excess £267£ 13s. 6d.? Yes.

102. The excess in the first tender amounts to 50 per cent. or thereabouts? Yes.

103. And the excess in the amended tender amounts to 20 per cent.? Yes.

104. Do you know whether the amended tender was accepted or not by Mr. Bird? Yes, four schedules were.

105. That tender was not acted upon by Mr. Bird, on account of Mr. Button's father refusing to go in for it? Yes.

106. Then the amended tender was abandoned? Yes.

107. Mr. Button then says, "Give me a free hand to buy in London, and 10 per cent. commission?" Yes.

108. But Mr. Bird says, "No, it is too much, but I will consent to allow you to buy, and give you 7½ per cent. commission?" I am not able to speak about that.

109. Ultimately, you are aware, Mr. Bird accepted Mr. Button's proposal to buy with a free hand in London, taking 10 per cent. commission? Yes.

110. *By Mr. Henry.*—There is an important question which arises here. Do you say you regard it as a correct course, when tenders are accepted and dealt with, for either the Ministers or the Tender Board to receive offers from parties outside afterwards?—do you know whether it is ever done, unless in very exceptional cases? I know of an instance that occurred within the last two or three years, in this way: a tender had been accepted for sugar, and a rejected tenderer made an offer to the Government to supply sugar. The question was referred to the Colonial Storekeeper, and he accepted it.

111. Above the price of the accepted tender? Oh no, not above the price.

112. Suppose a certain number of tenders are received, and the Tender Board accept such tenders as they think best, say the lowest: after they have decided, would you say it was a fair and correct course for the Government to go outside and accept offers from other parties or competing tenderers? I do not approve of it myself, but it has been done.

113. Tell me the circumstances under which it has been done? About three years ago we accepted a tender for sugar, and M'Gregor Brothers, who were unsuccessful tenderers, made an offer to the Government of five or six tons of a cheaper line, and the offer was submitted to the Colonial Storekeeper.

114. It would be competent for the Treasurer, notwithstanding the advice of the Tender Board, to buy privately in the Colony if he could do better that way? Oh, yes.

115. Would you consider it a right thing to throw over the lowest tenderers and select one of the highest tenderers, and give him the preference? Certainly not.

116. *By Mr. Woolnough.*—Has that ever been done in your experience? No.

117. *By Mr. Henry.*—You are aware that it was at first decided to accept these Melbourne tenders? Yes, in so far as the decision of the Board of Tenders was concerned.

118. And you are aware also that those tenders were afterwards cancelled? Yes, in reference to two schedules only,—No. 4, Sands and M'Dougall; No. 6, Detmold and Sons.

MR. WILLIAM LOVETT, *called and examined.*

119. *By the Chairman.*—What is your name? William Lovett.

120. What are you? Auditor-General of Tasmania.

121. You have recently had the accounts in connection with the stationery contract of Mr. Hedley Button before you? Yes.

122. Will you inform the Committee whether those accounts were found satisfactory? They were not altogether satisfactory.

123. Does he claim too much? There was an excessive claim made by Mr. Button, which was reduced upon examination in my office.

124. Upon what did Mr. Button base his claim? I understood that he based his claim on a contract accepted by the late Treasurer, Mr. Bird.

125. Is the document shown on pages 9 and 10 of the printed correspondence the contract you refer to? It is a copy of the contract that reached my office.

126. Under that contract Mr. Button is entitled to the cash value in London of the goods supplied with 10 per cent. addition? Yes, provided that it did not exceed the average of the Melbourne tenders.

127. He was entitled to a sum of money that should not exceed the average of Melbourne tenders with 10 per cent. added? Quite so.

128. If he could buy in the Colony cheaper, was he entitled to do so? I presume so.

129. Even if he purchased considerably under the Melbourne prices? I would like to read the contract; I don't think so. I think, under the terms of the contract, he was only entitled to charge English prices, provided they did not exceed the average of the Melbourne prices.

130. He would not be entitled to charge the Colony extra? No; he was simply buying on commission and selling to the Colony, as he was bound under his contract to do, at a certain price. Under the terms of the contract I do not see that he was an agent in any way; he was a contractor only.

131. Are you aware that, under this contract, it has been contended that Mr. Button is entitled to get for these goods an amount equal to the average of Melbourne tenders, with 10 per cent. added? I am not aware of it. I think he made a claim in that way, but I don't know that he has positively contended that he was so entitled. I think he has given way on the matter being shown to him clearly according to the idea the Audit Office held in the matter—that he was only entitled to the English prices if they did not exceed the average of Melbourne prices, and on the other hand if they were above the average Melbourne prices he was bound to accept payment at the lower prices.

132. Has he accepted the decision of the Audit Office? Yes.

133. Is there any difference now between Mr. Button and the Audit Office as to the settlement of the account? I don't know that there is any difference whatever.

134. Are you objecting to the payment of Mr. Button's claim in any way? There is nothing to pay. There is rather something for Mr. Button to return to the Government upon the accounts furnished.

135. Do I understand you to say there is no dispute now between the Audit Department and Mr. Button? Not at present; there was at one time.

136. Is the dispute, then, settled? So I understand. Mr. Button has agreed to everything we contended.

137. *By Mr. Dumaresq.*—What is meant by "fixed prices" referred to on page 10? I understand that to refer to articles for which there was no Melbourne price to guide the Government, and these had to be obtained at a fixed price.

138. If he bought at a lower price than that fixed price, might he not claim his 10 per cent. on the fixed price? No, I don't think so.

139. Supposing Mr. Button buys these goods in London at a lower price than the fixed price? We have nothing to do with that. That seems to be Mr. Button's own business.

140. Might he not ask his 10 per cent. on the fixed price? No, I don't think so.

141. Is the 10 per cent. payable on the fixed price as well as on the average of Melbourne tenders? The fixed price is simply because there was no basis to guide the Government with regard to Melbourne, and therefore Mr. Button was bound to deliver at a fixed price.

142. Without any percentage? I think so.

143. *By Mr. Woollnough.*—Has he ever contended for the 10 per cent. in addition to the fixed price? Not that I am aware of.

144. The fixed price includes the 10 per cent.? Yes; Mr. Button made no contention for it.

145. Do you know by whom this arrangement was made, that Mr. Button should be allowed to purchase at the Melbourne prices plus 10 per cent.? I only know from hearsay.

146. *By Mr. Henry.*—Do you know the amount Mr. Button claimed from the Government under this arrangement of his? Not without referring to papers.

147. On page 28 of the printed correspondence is a copy of the account I called for. Will you look at it? It is a true statement of the account by Mr. Button.

148. What is the balance he claims? £595 9s. 10d. is the balance shown as due to him on the date of that account.

149. And the Government refused to pay that? Yes.

150. And called on him for a detailed statement of his account? Quite so.

151. Are you aware that he has since visited Hobart with a view of clearing up the business, and that he admits now that that amount is not due to him? Certainly, that is so.

152. What amount does he admit is really the difference between himself and the Government, as a matter of account? I think he admits that there is nothing due to him, in fact, that he owes the Government £4 13s. 8d.

153. You have had ample opportunity of judging of the way in which I, as Treasurer of the Colony, have dealt with Mr. Button in this matter? Yes, you have consulted me all through.

154. Have you any reason to believe that I have shown any laxity in dealing with him in this business? Certainly not, far from it.

155. There is nothing in my conduct of this portion of the country's business to show that I favoured him in any way? Certainly there is not. I think you have acted in a most impartial manner all through.

156. Will you turn to page 17—you will see there a comparative statement showing the cost of stationery as supplied by Mr. Hedley Button, by the Melbourne tenderers, and by the Agent-General for precisely the same class of goods at net cash prices to be delivered in Hobart? Yes, I see the statement.

157. Have you examined that statement as furnished by the Colonial Storekeeper? Yes.

158. And are those figures correct? Yes.

159. What do these figures show as a result of the purchasing in England as compared with the purchasing in Melbourne? They show that if the Melbourne tenders had all been accepted that the total cost would have been £2500 odd less than the total cost of the English prices.

160. Compared with the prices actually paid to Mr. Button, what would the difference be? It would be nearly £1700 in favour of Mr. Button's contract.

161. What is the difference between the Melbourne tenders and Mr. Button's prices? Something like £884 in round numbers.

162. That is to say, judging from these figures, it appears that the Colony paid for this particular stationery £884 more to Mr. Button than would have been paid to the Melbourne tenderers, and would have paid £2500 more than the Melbourne tenderers if the goods had been obtained through the Agent-General? Yes, that appears so.

163. Assuming that the stationery is in excess of our requirements, there would be interest on the stock for the time we held it in excess? Yes, certainly there would be.

164. In other words, the interest is not included in the £884? No, it is not.

165. *By the Chairman.*—Have you any idea of what causes this great difference in the cost of goods purchased in London through the Agent-General and those purchased from Melbourne houses? I cannot explain precisely. My idea is that these goods are purchased from what are called middlemen, or the business houses in London, and not direct from the manufacturers. I think that that is most likely the reason.

166. Have these Returns been made up from actual purchases or from price-lists? From the prices which have been furnished, not from actual purchases.

167. All for the same year in which the Return was made up? Not with regard to the Agent-General; that refers to the previous year.

168. Does the cost of these goods fluctuate very much from year to year? Not very much, as far as I remember.

THURSDAY, SEPTEMBER 14, 1893.

MR. HEDLEY BUTTON, *called and examined.*

169. *By the Chairman.*—What is your name? Hedley Button.

170. You entered into a contract with the Government of Tasmania to supply stationery? Yes.

171. Can you inform the Committee what led up to that contract? There was really a previous contract.

172. I mean the circumstances leading up to the first contract? For some time I had been in correspondence and personal communication with Mr. Huxtable with a view to supplying printing, and finding that there was so much in our line in the way of printing material imported, I tried to induce Mr. Huxtable to arrange for the supplies being obtained locally. He seemed to think there was no use in trying to improve upon the means then in vogue in obtaining supplies, and I got very little encouragement indeed. I then waited on Mr. Bird, and pointed out that there was a chance of the work being done satisfactorily here, and that a great many supplies could be delivered from local houses quite equal to London goods. Mr. Bird seemed to be doubtful about the matter, as the Government were then getting their goods through the Agent-General, and I think he did not see much room for saving. However, after a considerable time he said he would see what could be done, and told Mr. Huxtable to give me whatever information about qualities and quantities he could, and then I supplied some quotations for certain quantities of stuff, just as a guide to what I could do. After that, before he went any further, Mr. Bird said, "If you can do things at this price I think the fair way would be to call for tenders," and I said I thought so. Tenders were called, with the result that, I think, four or five from Victoria were sent in, and perhaps as many from Tasmanian firms. I waited in Hobart after the schedules were in, and when I found that the Victorian people were in all cases the lowest tenderers, Mr. Huxtable said there would be no use in my going any further in the matter. I waited on Mr. Bird then, and pointed out that I thought the object was to see if the work could be done in the Colony, because the supplies might be as well obtained in London as in Victoria, as no one in Tasmania got the benefit of the work. My impression was that Mr. Bird did not instruct that the Victorian houses should be advised in the matter. However, I saw Mr. Bird, Mr. Fysh, and, I think, the Attorney-General, in the Treasurer's Office, I think it was the same afternoon, and I pointed out at that meeting that I had gone to a lot of trouble to get these things revised, and the Government had been able to see that a large saving could be effected, as the amount they had estimated for the goods from London came up to £9000, while if they accepted the lowest prices from Melbourne they would have been able to get the same goods, including freight, for £5700. Mr. Bird and Mr. Fysh were both of opinion that they had got a lot of information from me, and would like to recognise in some way the benefit the Government had received. To do that they asked if I would be prepared to supply goods here at anything less than the Agent-General charged, and do all possible work in the Colony, such as printing, embossing, and account-book making, and, after a little consideration, said I could undertake that, and would take the risk.

173. At what price were the goods to be supplied? There was nothing definite then. It was to be less than the Agent-General supplied at.

174. Do you mean that the contract was agreed to without any price being fixed? My price was not to come to as much as the Agent-General's, and was to include duties.

175. But there is an amended tender of yours shown on page 3? I think that came on a little subsequently, and was to confirm the conditions of the new arrangement. It was to be less than the first arrangement, but was also to come to less than the Agent-General was charging, and the price was to include duties.

176. There were three offers, then? Yes. Immediately I got Mr. Bird's sanction on the terms I have mentioned, and schedules and samples, and knowing certain goods were wanted by September if possible,

I sent home to our agent in London a list of all the goods we wanted, with instructions that in case of necessity I would cable him a word which would signify "proceed with the order for those lines, and ship by steamer." I told Mr. Bird that I would put this order in hand. About two days afterwards, on going through the thing with my father before handing it over to him, he said the thing was bigger than he had anticipated, and he did not feel at home with the stationery, and he was afraid what people would say about it outside would be detrimental to the interests of the *Examiner*, and he would not have anything to do with the matter. He said he would write to Mr. Bird on the subject that night, and I asked him if, in the event of his relinquishing the thing, he objected to my taking it up. He said, "Well, if you do, you will have to leave my employ." As a matter of fact, the thing stood in my name and I asked that it might not be altered, and signed the schedules with my own name. I wrote to Mr. Bird saying that as I would have to personally oversee the purchase of the goods, I did not think the thing would suffer in any way by being allowed to stand as it was, and not hearing from him again for about a week, put the order actually under way. After Mr. Bird had had my father's letter for three or four days or a week, I got a letter from Mr. Huxtable saying that my tender had not been accepted, but that others from Victoria had. Then I wired, saying his reply had come too late, as I had already put some of the order in hand, and asking what could be done in the matter. Mr. Bird then sent Mr. Huxtable up to Launceston to see me, and he asked me if I would delay the delivery of the stuff, I think for 6 months. I said that certainly that could be arranged, only the stuff coming forward would have to be taken. He said that would do, but he did not know whether Mr. Bird would be satisfied. At any rate, he made a suggestion in which he asked me to accept the average Melbourne prices as a basis upon which to arrive at the cost.

177. He proposed that you should substitute average Melbourne prices for the tender then accepted? Yes. I said I did not want to take advantage of the position Mr. Bird had put me in, and Mr. Huxtable replied that he thought I might count on getting at any rate an advance of 10 to 15 per cent. on top of these prices. I said I would be satisfied with 10 per cent. on the averages, and Mr. Huxtable returned to Hobart saying there would be no difficulty in the matter, and that he would recommend that these prices be accepted. He talked the matter over with Mr. Bird, and wrote saying that Mr. Bird considered $7\frac{1}{2}$ per cent. sufficient. I replied that Mr. Huxtable had suggested 10 to 15 per cent., and that I thought if I took 10 per cent. they had nothing to grumble at, as I was reducing the amount and still had all the risk. The Government eventually agreed to the 10 per cent., and all the documents were drawn up, only the prices were never filled in. It was agreed that I should be supplied with all details of the Melbourne prices, but only three out of four where there were four, and two out of three where there were three, were supplied to me. Just on my departure Mr. Huxtable told me I could not have the lowest, and that I was not really entitled to it. I pointed out that it was impossible for me to buy on the average unless I was supplied with the average. Mr. Huxtable agreed to send it on to the Agent-General's office, but on reaching home this list of quotations never turned up. I called at the Agent-General's for them for four weeks, but they never arrived. In place of them there came a few figures which could be easily put in writing on half a sheet of foolscap, giving totals of the whole thing only—the totals of the averages and the amount of duty payable on certain lines. The Agent-General gave me a copy of that sheet, and I wrote to him afterwards asking if it was all he had, and he said he had no more, and that I would have to act upon the information I had got,—he could not help me in any way with it. I then went on to purchase, as I had already put in a month waiting, and the whole of the goods, except two lines, were purchased and delivered. The terms that we made I have charged.

178. You supplied the goods under the contract shown on pages 9 and 10 of the printed correspondence? Yes.

179. And you charged in accordance with that contract? Yes, I have. I would like to remark that in the absence of the lowest tenders throughout I had to be guided by the average of three instead of four. In every case I have kept within that amount.

180. If you had all the tenders, would the average have been lower? Yes, rather lower.

181. You endeavoured to get them? Yes, I did.

182. None of your purchases have exceeded the average Melbourne prices with 10 per cent. added? No, I think not.

183. You have not claimed to have the right to charge up to Melbourne prices with 10 per cent. added, no matter what the London price was? Oh dear no!

184. Then, is your claim against the Government satisfactorily settled? There has been no dispute as to the goods. There have been one or two lines not sent; but that has been more with the object of learning the wish of the Government before executing. I thought there was a large amount to be saved on one line especially, and there was no hurry. Since then I have never received any instructions to get these goods.

185. Is there not about £500 still in dispute? Yes.

186. Is the Audit Department satisfied with that claim of £500? I don't think they are; but it is only a question of the interpretation of the terms of the contract. The way the terms are written seems to leave a second interpretation possible, and opens the door for dispute.

187. Will you inform the Committee of the nature of the dispute? It is due to the reading of the three or four lines at the foot of each schedule.

188. Do you mean the endorsement on the schedules—"The whole at an advance of ten (10) per cent. on the invoice cash prices in London, conditionally that the total cost of invoices and all charges and duties (except the ten (10) per cent.) shall not exceed the average Melbourne tenders," as shown on page 10 of the printed correspondence? Yes.

189. I thought you admitted that it was perfectly clear? The Auditor-General made several attempts to interpret it, but it was not until Mr. Israel came that he could put the words together.

190. Your interpretation is that the 10 per cent. is on the cash invoice price in London? Yes.

191. And that then the cost, with 10 per cent. added, and charges and duties, should not exceed the price of the average Melbourne tenders? The basis is the average of the Melbourne tenders, and I get an addition of 10 per cent. on the London prices.

192. According to Schedules 2A, 3, 4, 5A, 6A, and 7, which each bear this endorsement, you agree to accept 10 per cent. on the invoice cash prices in London, conditionally that the total cost of the goods, with all charges and duties except the 10 per cent., should not exceed the average Melbourne tenders: that is to say, you have the right to deliver to the Government at a price not exceeding the average Melbourne price, with 10 per cent. added. Is that your reading? Yes, that is right.

193. *By Mr. Henry.*—Are you quite sure? Yes, from the way the Chairman put it. Taking each line individually, my price is the average of three or four, as the case may be, of the Melbourne tenders. The commission is 10 per cent. on what that stuff cost in London. The average is the amount I am bound not to exceed. My idea is that I have the right to charge one price and that is the average, but, with all charges, I must not exceed that.

194. *By the Chairman.*—You claim the right to charge higher prices for the goods than they actually cost in London? Yes, I claim that I am entitled to the difference.

195. Do you claim that you are entitled to charge more for the goods than you actually paid for them at home? Yes, I have been of that opinion right through. As I pointed out to Mr. Henry, I could have otherwise remained in Launceston and have had the goods shipped to me from our agent at full commission, saving the expense of my journey to London and back. Instead of that I seek to make my agent's commission and expenses by going myself and being able to buy better. I don't see that there is any other construction than that the person who is able to work and see something should get the benefit of it. If the contract is not open to the interpretation I put on it, the harder I worked the less I would get, and I would be worse off than if I had not touched the thing at all.

196. *By Mr. Woolnough.*—Who first started the idea of calling for tenders for these supplies? I think it was Mr. Bird.

197. I understood that you in the first instance approached Mr. Huxtable on the subject? That was long before anything practical was done. He shelved me for months before anything practical came of it.

198. You first suggested the idea of getting stationery other than through the Agent-General? Yes.

199. To whom first? To Mr. Huxtable, and after that casually in conversation with Mr. Bird. After I gave in the prices, Mr. Bird certainly said, "I see something can be done, and I will call for tenders."

200. Can you tell me what work has been done in Tasmania in connection with the stationery that you got from London? There has been nothing whatever done. The bulk of the stuff was delivered to the Agent-General in London.

201. *By Mr. Mackenzie.*—One of the advantages you claimed for this plan of obtaining stationery—employing local labour—has not, then, been obtained? The prices were all different when I made that suggestion. One of the inducements I held out was that the work should be done in the Colony, but after that the prices were reduced, first from my original prices to the Agent-General's, and then from the Agent-General's to the Melbourne prices. The Melbourne tenderers did not do any work here. When the conditions were altered and delivery made in London, it was impossible to handle the goods again when they got here. There was no question raised on that point.

202. *By Mr. Henry.*—Do we understand clearly that when the Government gave you this contract, we will call it, for the supply of stationery, that there was not an understanding that portion of the work should be done in the Colony? No, there was nothing of the sort.

203. That idea was abandoned? There was no mention of it made.

204. You regarded this 10 per cent. as a reward for the information you supplied? Yes, I did.

205. You say there was a contract entered into for the supply of stationery. You sent an amended offer in, and practically it was accepted? That is the first.

206. Was this contract put in writing—was there any documentary evidence of it? I got a note from Mr. Bird to Mr. Huxtable, stating that he had accepted my tenders—the amended tenders from 2 to 7—and these were to be paid for by 75 per cent. in London, on the terms suggested by Mr. Huxtable.

207. Have you that document? Yes, but not here.

208. That you regarded as your authority? Yes, to go and get the stuff.

209. How was it, then, that Mr. Huxtable subsequently told you that another tender had been accepted? Owing to my father's letter having been received. Prior to advising me what they had done, though of course I had no right to be advised in the matter, they accepted the Melbourne prices.

210. Can you tell us the date when this 10 per cent. agreement was finally completed? Not from memory; I think it was in August.

211. You say that Mr. Bird sent Mr. Huxtable to Launceston to complete this 10 per cent. agreement? No, to make suggestions. He said Mr. Bird had sent him up to see if he could not arrange the matter on a fresh basis.

212. Did you regard the Government as under contract to you personally? The whole thing was in my name up to that point.

213. You say the Government abandoned the contract which had been entered into because your father refused to go on with it? Not at that point. The Government had accepted these tenders to me, and I signed them in my own name, and got bondsmen in Hobart; and immediately I got Mr. Bird's

authority then I started to execute. Then I felt from that point that I was under contract to the Government personally.

214. Will you turn to page 6. There is a memorandum there from Mr. Bird, where he says—“Reply to Mr. Hedley Button’s letter of 23rd July that as Mr. Button, sen., does not appear willing to be responsible for the contract which we understood he was entering into in his father’s name, I consider it advisable to accept the tenders of other firms for the stationery, &c.” Now, I want to know what claim you could have on the Government in regard to this contract when your father had abandoned it? It never was in father’s name. As a matter of fact, I had carried the whole thing along up to that point.

215. Then it was your contract? I did not do it with the object of having it for myself. I had been urging my father to entertain negotiations and try and get the thing; and, had the schedules come along signed ready for me to fill in, it would have been father’s contract, and the thing would not have eventuated.

216. With reference to the interpretation of that clause in the several schedules, you are aware that the interpretation of that was submitted to me? Yes, several months ago.

217. Are you aware of my decision in the matter? Yes.

218. Does it agree with your own interpretation? It is diametrically opposed to it.

219. Under your interpretation you claim an amount in excess of what the Government consider you are entitled to? Since I made my last statement one or two items have been paid, including one or two cases which were in excess, leaving £520 still in dispute between us.

220. Your claim is now £520? As nearly as possible, within a pound or two.

221. Are you aware what position the Government have taken up in this matter? Yes.

222. What is it? I think the Government have brought me in about £4 18s. on the wrong side.

223. In other words, the Government say you are indebted to them £4 18s. instead of their being indebted to you £520? Yes.

224. Do you still maintain you are right? Yes, quite so.

225. Now, I wish to ask you a personal question. In any of my dealings with you in this matter as Treasurer of this Colony, is there anything that would justify anyone in saying that I have been lenient or indulgent towards you? Oh, no; I think, on the other hand, you have taken the cudgels up first class for the country; otherwise the chances are I would have had the thing settled before.

226. Was there anything in my dealing with you to warrant anyone in saying that I had sacrificed the interests of the country? Oh, dear no!

227. *By the Chairman.*—There is one other matter I would like you to explain. You are aware that, in connection with the passing of your accounts, a certain invoice was challenged? I was never more surprised in my life when Mr. Henry came to me and told me I had been guilty of defrauding the Customs. Nothing ever gave me a bigger shock.

Mr. Henry: I said you had been either overcharging the Government or defrauding the Customs.

Witness: I could not believe it was possible, and the only way I can account for it is this: throughout the various schedules there were fifty or sixty or more little details which I had not time to purchase from individual makers, besides having no facilities for collecting or packing them in London, so I arranged with a house there. I was really too open with them. I gave them a schedule, and told them I wanted them to collect, pack, and ship the articles to Tasmania, and to do it so that it would come within a certain price. I gave them a rough idea of the duty, and they went through the matter, and took me round to a number of places to view the different lines of goods, and I decided upon what I thought would satisfy the schedule, and these were all collected by the house in April and shipped. The instructions to the firm in question were that they could get 75 per cent. of the value in London. Instead of charging the actual cost in London, they made a copy of my schedules and took them to the Agent-General and got 75 per cent. on them. In the *Berean* shipment, one of the smallest of the lot, when I was in Hobart my agent in Launceston got an invoice which happened to be the actual cost of these goods, and not a copy of the schedule, because, in sending the advice out to me, they sent a schedule. The result has been that there has been a difference in the value of duty and expenses on the stuff from that particular house. The amounts on which I paid duty actually exceeded, in some cases, the amount I received for those lines.

228. *By Mr. Henry.*—Are you aware that when your agent drew 75 per cent. on that invoice that he practically got the full amount of the money? He did, but he should not have done so.

229. Instead of getting 75 per cent? He got the full value of the stuff. Practically I am responsible for his actions. I recognise that, and, as I pointed out, the interest on the money that has been overpaid in London is charged against me. I have my remedy with the house in question.

230. Are you aware that you passed entries on two invoices, and that you paid duty on the goods at a considerably less rate than you charged the Government for these goods? That was all through the same house.

231. I am asking if it is not the case? Yes it is, but it was their error.

232. I ask a straightforward question. Did not you pay duty on one invoice at a lower rate than you were then charging the Government for goods? That is true.

233. Had you not got two invoices, one for Customs purposes? Oh, don’t say that.

234. Did you not get two invoices from your people in London, one of which you used for passing entries through the Customs, and one of which you charged the Government upon? If you call them both invoices it is so; but when you see that one is actually a copy of my order to them, I do not think the description is quite correct.

235. Are the invoices in existence? I think so.

236. Do you know that they reached the Government by accident? Yes.

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237. It was within your knowledge when you were making a claim on the Government that instead of 75 per cent. having been obtained, the whole amount had been obtained? I was perfectly aware of that.

238. And you never advised the Treasurer or the Colonial Storekeeper that a mistake had been made? Yes, but I felt that as a large amount had been paid on one lot of stuff it simply left less to be received at this end, and would simply reduce the balance owing.

239. You admit that the Government, through the fault of your agent in London, we will say, lost interest on 25 per cent. of these invoices? Yes, I will admit that.

240. And you concealed the knowledge? I did not tell the Government, as I admit I should have done. It appeared to me that I was to be paid at one end or the other, and if I got it at one end I would not get it at the other. It is the only feature about the whole thing that I would alter if I was doing a similar contract for anyone else.

Mr. Woolnough.—I wish to express my sense of the satisfactory manner, under the circumstances, in which Mr. Button has given his evidence.

BOLTON STAFFORD BIRD, *called and examined.*

241. *By the Chairman.*—What is your name? Bolton Stafford Bird.

242. You were Treasurer of the Colony in 1891? Yes.

243. And entered into a contract with Mr. Hedley Button for the supply of stationery for the Colony? Yes.

244. Tenders were called for the supply of stationery during 1891? Yes.

245. And certain tenders from Victoria were accepted? Yes; and also some from Tasmania.

246. Mr. Button's first tender was not accepted? No, not in the end; it was under consideration, but for various reasons was not accepted, and the supplies for 1891-92 were all got from other tenderers.

247. You afterwards made a special arrangement with Mr. Button, allowing him to purchase supplies for 1893? Yes.

248. And you paid him higher prices than was necessary according to the prices shown by the Melbourne tenderers? If I remember rightly his prices were not to exceed 10 per cent. over the average of the Melbourne tenders. He was to buy in England, and supply goods equal to anything specified, and the payment was not to be more than 10 per cent. in excess of the average of the Melbourne tenders for 1891.

249. What induced you to enter into this arrangement with Mr. Button?—was it with the hope that you would ultimately get a supply of stationery at a less cost, or was it out of regard for Mr. Button's services to the Colony in suggesting that we might purchase these goods at less than they had been costing through the old channel of the Agent-General? I was influenced by both reasons. I was surprised to find that Mr. Button had been at considerable pains to put before me a statement of the great saving that could be effected between what we had been in the habit of paying and his proposal, and as my wish was to get all the work done in the Colony that could be done, I felt it was on that ground also desirable to encourage our local industries by giving the contract to one of these tenderers, who had been at infinite pains to show us how it could be more reasonably done than hitherto.

250. Was there any provision in the contract for the work being done locally? I cannot remember that. It was understood that what could be done locally would be so done.

251. Was any work done locally? I am not aware, as the goods were only beginning to be delivered a short time before we left office.

252. Did you understand that the invitation to tender would be only addressed to Tasmanian firms—you know the bulk of tenders came from Victoria? My idea was to send to Messrs. Propsting, Davies, Button, or anyone locally who could do the work required. Subsequently an advertisement was inserted, and answered by tenderers outside the Colony.

253. Was it inserted in the papers in the other Colonies? I don't think so, but I am not sure about it.

254. Will you refer to the list of tenders. It appears that there were more than two arrangements made with Mr. Button. His first tender appears to have been altered to the lower figures shown. Was there not some understanding for accepting the lower ones? If I remember rightly it was contemplated to accept Mr. Button's tender for certain schedules, and then it was found that some difficulty had arisen as between father and son. I thought all along I was dealing with Mr. Button, sen. through his son as his representative. When the communication came to me that Mr. Button, sen. was not in the contract, I hesitated about going on in the matter.

255. Did not Mr. Button have an opportunity of amending his tender after the other tenders had been disposed of the first time? I cannot say.

256. Would it be likely that he could have an opportunity of amending his tender before the tenders were considered by the Board? He might have found that he could amend the tender before the whole was dealt with. I cannot remember when, or how, or by what means the alterations were made.

257. What was your reading of the endorsement on the different schedules, as shown on page 10 of the correspondence? Speaking largely from memory, there was to be a fixed price, except perhaps under a general rise in prices, which was not to exceed the average of Melbourne tenders with 10 per cent. added thereon.

258. Supposing he purchased at a very low rate, would he be entitled to charge up to those prices? I should hardly think so. He was entitled to show the invoice cash prices in London, and if they were in advance of the average of the Melbourne tenders it would be his loss. If not, he would get 10 per cent. on the invoice cash prices as shown. It occurs to me here that if there were some articles purchased the invoice of which was individually in excess of the average Melbourne prices, and others again which were individually lower, Mr. Button might be fairly entitled to take the average of the whole, because the condition is that the total cost of all invoices and all costs and duties shall not exceed the average of Melbourne tenders. For instance, if one invoice is £100 under the average, and another the same amount over, I do not think anyone would be justified in making him suffer on the over, and take his advantage on the under; but it should be on the total cost of all.

259. What was the idea of fixing upon the average of the Melbourne tenders?—why did you not select the lowest? The average was upon the lowest in the different schedules. There were several schedules, so we took the average.

260. Did you mean it to be the average of the lowest prices? The Colonial Storekeeper discussed the matter with me, and was as surprised as I was to find what an enormous saving there was between this scheme and what we had been paying on orders through the Agent-General. Mr. Button had taken immense pains to bring the whole matter before us; and while we did not see our way to accept his tender for 1891, we felt that he was entitled to some consideration. We saw that we would be saving largely to the Colony as between what the English prices had been and what Mr. Button was prepared to do it for in this particular way.

261. Mr. Button's contract amounts to £894, or practically £900 more than the same articles could be purchased for from the Melbourne houses? I did not think it was so much as that.

262. Was what you have stated all that induced you to give Mr. Button this contract? I know of nothing else. I felt that he had put us in the way of saving large sums by getting the supplies in this particular way, and that he had spent an enormous amount of time in putting the whole business before us, and had been disappointed greatly no doubt in connection with the 1891 tenders, fully expecting to get which he had sent orders to England for certain goods, and it seemed to me we were justified in giving him some consideration.

263. Through Mr. Button's information you saved something like £2500 in the 1891 supplies, and out of consideration for this you gave Mr. Button a contract which resulted in the loss of £1000 as compared with the Melbourne price, though still a saving of £2000 as compared with the old system of purchasing in London? Yes, and also with the view of encouraging local industry.

264. But there was no work done in this Colony? I understood there would be.

265. He put the Colony in a position to save £2500, and out of consideration for that you were influenced to allow him this contract, which, while giving him something more than need be paid in Melbourne, still gave the Colony substantial advantage over purchases in London? I have some idea that there were some of the supplies from some of these firms previously, which made us rather doubtful about the quality being equal to what was specified. I am not quite clear about that, but I have some indistinct impression there were reasons of that sort which weighed with us in favouring a local firm instead of an outside one.

266. *By Mr. McKenzie.*—Were you aware what stock was in hand at the time you called for tenders for 1891-92? Not particularly. I only know it was customary to call for tenders or send orders at that particular time in order to have the stocks in hand when they were required.

267. You did not consider it part of your business to ascertain what stock was on hand before calling for tenders? The Colonial Storekeeper would come and say that the time had come for sending for supplies.

268. When you called for tenders and rejected a certain number of them you thought it would be more advantageous to the Colony to treat with Mr. Button than to call for fresh tenders? My impression was that we could do just as well with him, and he had been of such immense service in showing us how we could get stuff so much cheaper that I felt he was entitled to consideration on that account.

269. Before you took any action did the Colonial Storekeeper tell you that stationery goods were wanted—it appears there was a considerable stock already in hand? I cannot say now whether he made any statement of that sort beyond his usual annual custom of coming and saying that we must send orders for stationery. I took it for granted that he took into consideration what he had and what he would need.

270. He did not come to you in the first instance and state that such goods were required? I have no doubt of it, for otherwise the matter would not have been proceeded with.

271. Did you give any instructions that the advertisement should confine tenderers to Tasmania in the first instance, or was it by a mistake that tenders came from Victoria? I forget the form of the advertisement now, but my impression is that instructions were given to advertise here, and I was surprised when I found tenders coming in from outside. I don't think the matter was advertised out of the colony, but I cannot be sure about that.

272. One of your objects was that work as far as possible should be done in the colony? That was one of the chief objects, and one of the very prominent statements that Mr. Button made was that his firm possessed the means of doing such work.

273. Were there any instructions in the final contract that as much work as possible should be done locally? I am not aware of that. When the arrangement was made it was on that understanding.

274. I see that in the printed correspondence you made a memorandum to that effect; but it seems that when the final contract was made there were no instructions given on the subject; Mr. Button was at liberty to do as he liked, and did not do any work in the colony? It may be so.

275. The final arrangement was that Mr. Button should be allowed to buy on the average of the Melbourne tender prices? He was not to exceed them.

276. You thought that a fair way of obtaining an average that Mr. Button was not to exceed? It appeared so, and the Colonial Storekeeper thought so.

277. But in one case I see that one tenderer in one line exceeded the lowest tender by as much as 60 per cent., and in that case the average would be much above the lowest tender; however, the Colonial Storekeeper and you both thought it would be a fair basis to go on? Yes, that was the case.

278. *By Mr. Henry.*—Was it not in consequence of Mr. Button's representations about the lower price at which stationery might be supplied to this colony that you were induced to invite the tenders you did? Yes, certainly, in the first instance. The usual way before that had been to send indents home to the Agent-General.

279. You received certain tenders? Yes.

280. Amongst others, Mr. Button's? Yes.

281. Have you any recollection as to what place he took amongst the tenderers, highest or lowest? I fancy in some cases he was the highest.

282. Would it surprise you to learn that his first tender was £3427 higher than the lowest tenderers in each schedule? I know he was considerably above them in some lines.

283. Consequently the Tender Board did not advise the acceptance of any of his tenders: have you any recollection of that? The Tender Board advised the acceptance of certain tenders.

284. It appears that you first approved of the decision of the Tender Board, and subsequently altered that decision. I want to know if you have any recollection why the highest tenderer was permitted to amend his tender? I cannot recollect now how they came to be altered. I don't know which of the figures which appear in the correspondence were in the tender when it was first submitted.

285. As a matter of practice, in dealing with tenders would you say it was a correct course to allow the highest tenderer, or any higher tenderer, to come in and amend his tenders after they had been dealt with? No.

286. You would condemn it as wrong? Yes.

287. Did you not accept the lowest tenders after all? Yes, I think so.

288. They were the Melbourne tenders? Yes.

289. Did you not also at the same time, or about the same time, accept a tender from Mr. Button or enter into a contract with him? Not for the same supplies, but for those for a subsequent year.

290. For similar schedules? I think for similar classes of goods, if my memory serves me, because Mr. Button had ordered some, thinking he was likely to get the order for certain lines.

291. Was not a contract entered into with Mr. Button for duplicating these goods for the year 1893? After the tenders were accepted the question arose as to what Mr. Button could do for a subsequent year. For that subsequent year we made the arrangement you are speaking of.

292. All the goods obtained through Mr. Button were bought for 1893, or a year earlier than necessary, were they not? Not a year, because we took special care that they should not be delivered until the latter half of 1892.

293. In duplicating this order through Mr. Button were you acting on the advice of the Department, or following your own judgment? I was acting under the advice of the Department. I was in constant communication with the Storekeeper.

294. Do you think it is a correct course for a Minister to expend public money to the extent of £1000 more than the same goods could be purchased for elsewhere on the ground of helping local industry? I do not know that I noticed there was such a difference as there appears to be. I certainly think the man who, by bringing the matter before us, shows us how to effect a great saving, is entitled to some consideration.

295. I am asking if you think it is a correct course for a Minister in charge of a Department to pay public money to an individual on the ground of promoting local industry? Certainly I do.

296. Without submitting the matter to Parliament? In many cases he might.

297. There are apparently three tenders from Mr. Button. The first and highest, which was rejected, the second, which was apparently successful, and then the subsequent arrangement. If Mr. Button says his understanding with the Government was that if the second contract was accepted then so much work was to be done in the Colony, what would you say? I knew nothing of any distinction.

298. On the ground of a colonist giving the Government information which would have the effect of saving money to the Colony, you think a Minister would be justified in paying that individual an excessive price to that for which the goods could be obtained elsewhere, in consideration of that information? I think it was partially the consideration of the work being done in the Colony which influenced me in the matter.

299. It appears from the correspondence as if the second contract had absolutely been entered into, and Mr. Button claims that the contract had been entered into, and in consideration of that contract, he got the subsequent arrangement? I don't think there was any contract. The whole of the negotiations had been going on some time, and no contract had been settled except the one he has been working under.

300. In reference to this 10 per cent. advance, you say, in addition to the 10 per cent. on the average Melbourne prices, Mr. Button was protected in the event of a general rise of prices in London? If he found that the prices had advanced between the time of the Melbourne tenders coming in and when he

would have to buy, so that he could not buy beneath the average, there was that measure of protection; but, barring that, the average of Melbourne tenders was to be the limit.

301. Do you regard this as a commission business or as a contract? As a contract, certainly.

302. *By the Chairman.*—If this was a contract, Mr. Button would be justified in conducting the business through an agent at Home. If he was to go to the expense of going to England, would it not stand to reason that he went for some profit to himself, by purchasing better and making a greater profit, having obtained a contract to supply at a certain price? If he was to gain nothing by purchasing at a lower rate in London, why did he go there? He was anxious to get the very best quality of goods, and he wanted to have some honour and credit in connection with the affair, and by going Home himself he would be able to buy to better advantage than by trusting to an agent.

The Committee then adjourned *sine die*.

THURSDAY, OCTOBER 19, 1893.

JOHN WILLIAM ISRAEL, *called and examined*.

303. *By the Chairman.*—What is your name? John William Israel.

304. What are you? Deputy Auditor.

305. You have had all the papers in connection with the contract between Mr. Hedley Button and the Government? Yes.

306. Can you tell us if Mr. Button is satisfied with the decision that the Audit Office has come to in regard to the amount in dispute? Oh yes, he is satisfied as to the result obtained by calculation. He expressed himself so to me.

307. But he still claims that the Government are in his debt? Well, only in one way: he claims that he had been induced to supply material of a superior quality than he would have done had he been given certain information. He does not dispute the figures.

308. Has he not pointed out the reasons for his claim being more than the Audit Office allow? Yes.

309. I understand that Mr. Button claims that he was only furnished with the prices of three Melbourne houses instead of four, and in that way his average price is higher than you make it, because you had the whole number? Yes, that is what he claims, I understand.

310. That accounts for the difference? Yes.

311. The Committee would like to know what proportion the goods to be purchased at fixed prices bears to the total amount supplied? The total amount, exclusive of the 10 per cent. commission, was £6399 0s. 10d., and the goods at fixed prices came to £1195 16s. 5d. out of that.

312. *By Mr. Mackenzie.*—That does not include any commission? No, I have not taken any commission into calculation in the total.

313. *By the Chairman.*—The proportion, then, is 20 per cent? Just under 20 per cent.

314. Did Mr. Huxtable supply you with the Melbourne tenders to ascertain the average? Yes.

315. Did Mr. Huxtable offer any explanation as to why Mr. Button was not supplied with all the tenders? No, I am not aware that he did. I only know it from Mr. Button's remarks, and what I gathered, of course, from the correspondence.

316. Do you know whether the Agent-General has been in the habit of simply sending on the orders received from this Colony to a recognised house, or whether he called for tenders in London? No, I cannot say what the present Agent-General used to do.

317. What was the practice of the Crown Agents? They used certainly to call for tenders. I know that from the fact that the schedules of tenders used to be attached to the accounts when they came to the Colony. In the Agent-General's time this schedule did not come out. In reference to the question of Mr. Button agreeing to the figures, I made a memorandum at the time, on the 15th July, that he agreed and was quite satisfied. He did not dispute the amount arrived at, but was quite satisfied with the figures.

APPENDIX A.

The Colonial Storekeeper.

WILL the Colonial Storekeeper name a time to meet Mr. Button as soon as possible and go through a list of prices he will submit with regard to supply of Stationery. The prices to be compared with those at which the Government now imports similar articles from England direct. The Premier will be glad to have this attended to at once.

J. E. PACKER.
28. 5. 91.

(Endorsement.)

Mr. Button has attended at the Office of Stores this day, and has quoted his prices for the articles that form the bulk of the supplies that will be required for 1892. His quotations have been compared with the cost prices of the latest importations from England (charges included), and also with these prices, Customs duties added. The results are given on the papers herewith.

They are incomplete, as Mr. Button is not prepared to quote prices for every article while he is in Hobart. Sufficient data are given to enable the Government to decide whether Mr. Button shall be requested to complete his quotation on his return to Launceston. His prices compare favourably to him with the prices of Stationery imported through the Agent-General; but in the event of the Government deciding to purchase the supplies for 1892 in the Colony, the Colonial Storekeeper would point out that Mr. C. E. Davies made an offer last year somewhat similar and was referred to the Agent-General. Would he not feel aggrieved if purchase were made in the Colony without inviting tenders?

C. H. HUXTABLE, *Colonial Storekeeper.*
29. 5. 91.

The Under Treasurer.

MEMO. from Colonial Storekeeper to the Hon. the Treasurer.

3rd June, 1891.

FORWARDING list of prices given by Mr. H. Button as those at which he offers to supply Stationery for the Public Service of 1892. The prices paid for similar articles supplied by the Agent-General, and the same with Customs duties added, are also given by the Colonial Storekeeper.

To render the comparison complete, the total cost of the whole supply should be computed. Time has not been given for this to have been done. The Colonial Storekeeper begs leave to point out that an application made last year to be allowed to tender in the Colony was not entertained. He was referred to the Agent-General.

C. H. HUXTABLE, *Colonial Storekeeper.*

TENDER for the supply of Stationery for the Public Service for the Year 1892, submitted by Mr. H. Button; to be delivered into the Colonial Stores, New Wharf, before the 31st December, 1891; to be equal in quality to articles imported by the Government from England.

[Here follows list.]

MEMO from Colonial Storekeeper to the Hon. the Treasurer.

6th June, 1891.

Forwarding papers connected with Mr. H. Button's tender to supply Stationery for the Public Service of the year 1892.

C. H. HUXTABLE, *Colonial Storekeeper.*

Launceston, June 10th, 1891.

To the Hon. B. S. BIRD, *Treasurer, Hobart.*

DEAR SIR,

KNOWING your Government have been importing stationery of various kinds as well as printed books, envelopes, &c. in large quantities, and feeling from the extent of our plant and staff to be able to compete on something like even terms, I have forwarded for your consideration prices which, I trust, may prove worthy of attention and ultimate business result.

The change, if made, would have the following advantages and substantial reasons:—

1. Much labour now given to tradesmen in England would be confined to this Colony in future.
2. If so desired, supplementary orders could be had from time to time at Schedule rates (up to a maximum percentage of bulk annual orders to be agreed upon).
3. Profits would remain in the Colony, the benefits of which are too palpable to need mention.

Trusting the case will meet with your approval and support,

I am, &c.

HENRY BUTTON, *per HEDLEY BUTTON.*

(Endorsement.)

Colonial Storekeeper.

IT seems to me that we might with advantage get this done in the Colony. Will you prepare at once an advertisement with all necessary particulars which can be forwarded to such persons as are likely to tender in the Colony?

B. S. BIRD.
12. 6. 91.

Launceston, 18th June, 1891.

Colonial Storekeeper, Hobart.

DEAR SIR,

I have seen Mr. Bird, who informs me he has arranged for tenders to be called, and that I should receive notice from you by post; as this has not come, I am anxious to know when same will reach me, and at same time to learn when tenders will close.

Yours &c.

H. BUTTON.

P.S.—A wire simply naming date of tenders closing will be appreciated on Friday morning.

Colonial Storekeeper.

Will you see me this afternoon *re* the paper supplies and contract in the Colony.

B. S. BIRD.
24. 6. 91.

Office of Stores, Hobart, 27th June, 1891.

Tenders will be received at this Office until noon on Wednesday, the 15th July next, from persons willing to supply the Government of Tasmania with stationery as per schedule, in the quantities and at the time stated thereon:—

- Schedule No. 1. Account books, &c.
2. Bookbinding material.
3. Envelopes, printed and embossed.
4. General Stationery.
5. Printing papers, plain.
6. Printing papers, ruled.
7. Writing papers, &c.
8. Writing papers, ruled.

Each schedule to be tendered for separately. Prices, computations, and total amount must be expressed on each schedule. As security proportionate to the magnitude of each contract will be required for its due fulfilment, each tender must be signed by one responsible person willing to become bound for the Contractor. The security must be completed within a reasonable time after acceptance of the tender, failing which the contract may be again advertised, or another tender accepted. The lowest or any tender not necessarily accepted.

Conditions.

The supplies are to be equal in every respect to the Contract sample or specification. If, on opening packages after delivery the contents are found by the Board of Survey to be inferior to contract, the Contractor or his Agent must remove the goods objected to and supply others in their stead, failing which the supplies may be purchased at the Contractor's expense, and the rejected goods may be stored at the Contractor's risk and on his account. The packages, cases, &c. will become the property of the Government without charge. In the event of any alteration in the tariff affecting any of the items included in these contracts, the Government or the Contractor, as the case may be, will make a proportionate allowance by way of reduction from, or increase of the price of the item so affected, provided that the duty on such items has been actually paid.

B. STAFFORD BIRD, *Chairman of the Board.*

(Circular.)

Office of Stores, Hobart, 30th June, 1891.

GENTLEMEN,

I BEG to enclose herewith copy of the *Gazette* Notice dated 27th June, 1891, inviting tenders for Stationery for the Public Service of Tasmania, together with schedules and forms of tender, also a parcel of samples connected therewith.

These supplies have been imported hitherto from England direct, but it has been decided to procure them in future by local or intercolonial contracts if this the first attempt should prove satisfactory. I shall be glad to receive tenders from your firm on the date mentioned in the advertisement, viz., 15th July, addressed to the Chairman of the Board of Tenders, Office of Stores; and I may state for your guidance that the duties now leviable in Tasmania are as follows:—

Cloth, Leather, Millboard, Pasteboard, Strawboard	Exempt.
White and coloured Printing Papers, not ruled, in original wrappers and untrimmed edges as it leaves the mill	5%
Other articles, including Envelopes	12½%

I may mention that Schedules 1 and 4 will not be circulated on this occasion outside of Tasmania.

Should a contract be entered into with your firm, every possible assistance will be given to your agent in taking delivery of goods, and in settlement of your claims therefor.

I am, &c.,

Colonial Storekeeper.

TENDERS FOR STATIONERY, 1891-92.

NAME.	No. 1 Schedule.	No. 2 Schedule.	No. 3 Schedule.	No. 4 Schedule.	No. 5 Schedule.	No. 6 Schedule.	No. 7 Schedule.	No. 8 Schedule.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
J. Walch & Sons	216 9 6	—	770 12 0	581 3 1	—	—	—	B.S.B. 202 14 0
Propsting & Robey	B.S.B. 204 13 6	1159 3 6	—	—	—	—	486 16 6	212 12 6
H. Button.....	272 16 6	1301 3 5 [1555 10 4]	763 3 0 [978 19 11]	579 1 7 [663 13 4]	4190 8 7 [4314 3 7]	1698 6 5 [1819 12 9] [1796 10 10]	430 14 0 [489 3 7]	— 213 15 0
Wm. Detmold	—	1176 16 2	848 12 6	—	2995 17 4	B.S.B. 1015 12 2	B.S.B. 287 15 11	131 18 7
A. Cowan & Sons	—	B.S.B. 962 12 9	B.S.B. 504 17 3	—	3203 2 3	1108 7 0	294 3 11	165 15 7
J. Spicer & Sons	—	1110 14 10	—	—	B.S.B. 2936 3 10	1038 19 3½	302 5 10	151 5 7
Sands & M'Dougall.....	—	1039 2 5	799 18 7	537 19 0¼	3065 14 0	1176 2 5	337 5 2	162 16 5
J. Brickhill	—	—	776 12 6	—	—	—	—	—
T. L. Hood	—	—	—	603 3 7	—	—	—	—

Note.—The figures within brackets refer to items erased.

Colonial Storekeeper.

I WILL accept the following tenders for Stationery :—

		£.	s.	d.
Schedule No. 1.	Propsting & Robey.....	204	13	6
" 2.	Cowan & Sons.....	962	12	9
" 3.	Button.....	599	3	9
" 4.	Button.....	423	1	9
" 5.	Button.....	2906	19	2
" 6.	Button.....	1136	5	4
" 7.	Button.....	385	1	6
" 8.	Walch & Sons	202	14	0
		B. S. BIRD.		
		18. 7. 91.		

MEMO. to Colonial Storekeeper.

WILL you let Mr. Button have, as far as you can, English prices and particulars of goods which he has undertaken to supply, and after discussion with him as to arrangements for payment of part of the goods in London, submit a recommendation to me in regard to the same?

B. S. BIRD.
20. 7. 91.

Office of Stores, Hobart, 21st July, 1891.

MEMORANDUM recommending, in the event of Mr. Hedley Button's tenders for the supply of Stationery for the service of the years 1891-2 being accepted, that the Agent-General be instructed to pay Mr. Button's agent in London to the extent of three-fourths of the invoice amount upon presentation of bills of lading; the balance of amount (one-fourth) to be paid to Mr. Button in Tasmania upon receipt and approval of goods. The necessary bond to be given by Mr. Button.

C. H. HUXTABLE, *Colonial Storekeeper.*

Approved—B. S. BIRD.
27. 7. 91.

MEMO. to Colonial Storekeeper.

AFTER revision of the tenders for Stationery, &c., I cancel my former minute as to acceptance of tenders, and now approve of Mr. Button's tenders for Schedules Nos. 2 to 7 inclusive, Mr. Walch's for Schedule 8, and Propsting and Robey's for Schedule 1.

I have informed Mr. Button that his tender for Schedules 2 to 7 is accepted, and that I approve of your recommendation *re* payment in London.

In intimating to Victorian tenderers that their tenders are not accepted, you may state that, although in some items their tenders were lower than some offered locally, we have found it advantageous to accept several local tenders for the present year, and that it is in contemplation to invite tenders hereafter for a three years' service with a somewhat different classification of goods.

B. S. BIRD.
21. 7. 91.

P.S.—I advise the preparation of a cleaner record of tenders than that returned herewith, which is so much interlined.—B. S. B.

TELEGRAM.

Launceston, 22nd July, 1891.

It is my intention to do all work in the island.

HEDLEY BUTTON.

Mr. C. H. HUXTABLE, *Colonial Storekeeper.*

Launceston, 23rd July, 1891.

DEAR SIR,

SINCE my return I have had an opportunity to discuss matter of Stationery Contract with my father, in whose interest the whole was sought and concluded, though, from fact of his signed Schedules not coming to hand in time, was put in bearing name of the undersigned.

My father does not wish for any honor or profit that may accrue from this Contract, and therefore desires no change either in name or intent of Contract as it stands at present. My father, whilst not caring for so large an undertaking himself, does not in any way wish to prevent my carrying out the whole in its entirety.

Had my father not altered his first view of the matter it would have devolved upon me personally to see your wishes carried out in detail both in ordering and otherwise, so I do not think the interests of the Government will be served less when I am responsible both nominally and actually; and as I stated to you

on my father's behalf that my best efforts would be put forth to secure perfect satisfaction from the Government, so I now desire to assure you that every care will be devoted to the faithful execution of the various Schedules entrusted to my name.

I have the honor to be,
Yours faithfully,

HEDLEY BUTTON.

The Hon. B. S. BIRD, Treasurer, Hobart.

P.S.—May I be favoured with all necessary acceptance notices, &c., and copy of instructions to Agent-General with regard to payments, at your early convenience?—H. B.

[Endorsement.]

Colonial Storekeeper.

I JUDGE that there is some doubt on the part of Mr. Button, Sen., about this Contract, and that he takes no responsibility. Is it wise to accept the responsibility of leaving it entirely with Mr. Button, Jun.?

B. S. BIRD.
24. 7. 91.

Office of Stores, 24th July, 1891.

SIR,

I REGRET that an accident which confines me to bed prevented my waiting upon you on Tuesday morning last with Mr. Button. Assuming that tenders will not be settled finally until you have signed the official notices of acceptance, I feel it my duty to make the following remarks:—Very great difficulty has been met with in arriving at a reasonable estimate of the cost of the various items if ordered through the Agent-General, the only basis to work upon being prices that ruled in 1890, whilst upwards of £3000 worth were articles for which we had no prices. Mr. Hull has brought me a copy of a statement compiled by Mr. Button on Tuesday last, which I assume he produced to you, and which may have influenced you in arriving at your latest decision. The document referred to showed that, by giving the order to Mr. Button the cost would be £208 14s. 8d. less than the cost of indents sent home. He may not have pointed out to you that his amended tenders for articles on which no work would be done in the colony (plain paper, general stationery, &c.) amount to £1767 16s. 1d. more than the amounts of the intercolonial tenders that have been received for the same articles. May it not be considered also, that if intercolonial tenders are set aside on this occasion, they may not be proffered if required in future, although that contingency may not be of any consequence if the Government determine that future tenders shall be confined to Tasmanian firms, in which event tenders for 1893 may be prepared at a date which will give local firms ample opportunity to obtain quotations from England on which to tender.

I enclose herewith a comparative statement showing the cost of the stationery under different conditions, as shown in columns 1 and 2, pointing out that in the former all the schedules that carry any work to be done in the Colony would be allotted to local firms, and the balance to lowest tenderers, Mr. Button's share being £2461 12s. 8d., estimated at approximate English prices—list No. 2 being in accordance with your memorandum of the 21st inst.

I have to point out that Mr. Button has reduced Schedule No. 6, as it was found that the duties had been originally calculated at 12½ per cent., instead of 5 per cent., the amount now appearing as £1698 6s. 5d. in place of £1819 12s. 9d.

I enclose a draft of a reply to the Melbourne firms in acknowledgment of their tenders, if they are finally rejected, in accordance with your Minute, pointing out, however, that it does not appear desirable to make a contract for three years, as the market price of paper, the bulk of the supply, fluctuates greatly.

You will please notice in column No. 1 of the comparative statement attached that all the Schedules which appear thereon remain as formerly, with the exception of Schedule No. 6, which Mr. Button has reduced, as stated above.

On receipt of your final instructions as to which list is to be adopted, notices of acceptance will be prepared for your signature.

I have, &c.

C. H. HUXTABLE, *Colonial Storekeeper.*

COMPARATIVE STATEMENT showing aggregate cost of Stationery—First, at the rate of the lowest tenders for Schedules Nos. 1, 2, 4, 5, 7, and 8 (Nos. 1 and 8 bearing work and being local tenders); and second, cost of the same, Nos. 1 and 8 only being given to the lowest tenderers, and the remainder to Mr. Button at the estimated rates of importations from England :—

No. of Schedule.	No. 1—Amount.			Name.	No. 2—Amount.			Name.	
	£	s.	d.		£	s.	d.		
1.	204	13	6	(work)	Propsting & Robey	204	13	6	Propsting & Robey
2.	962	12	9	(no work)	A. Cowan & Sons	1301	3	5	
3.	763	3	0	(work)	H. Button	783	3	0	H. Button
4.	546	19	0	(no work)	Sands & M'Dougall	579	1	7	
5.	2936	3	10	(no work)	J. Spicer & Sons	4190	8	7	
6.	1698	6	5	(work)	H. Button	1698	6	5	
7.	287	15	11	(no work)	W. Detmold	430	14	0	J. Walch & Sons
8.	202	14	0	(work)	J. Walch & Sons	202	14	0	
	£7602	8	5			£9370	4	6	
						7602	8	5	
						£1767	16	1	

(Endorsement.)

Colonial Storekeeper.

IN view of your accident, which has delayed this business, and also in view of the letter from Mr. Button which I sent in this morning, I ask you to take no further action *re* these tenders until next week.

B. S. BIRD.
24. 7. 91.

[Copy].

Contracts for Stationery.

THE fact that Mr. Button, Sen., does not care for such a large undertaking strengthens the view suggested by the Colonial Storekeeper this morning, viz., that contracts bearing local work be given to local firms, and the rest to the lowest tenderers, as per column No. 1 of the comparative Statement, which carries out the wish of the Hon. the Treasurer to have all work done in the Colony.

Mr. Button, Sen. may be willing to guarantee the fulfilment of the two contracts allotted therein to his son.

The bond to be given would have to provide for the due return of the papers, &c. handed to the contractor on arrival from England to be ruled and printed; the bills of lading would secure receipt of the goods in the Colony in an incomplete state.

On Monday next the Colonial Storekeeper hopes to wait on the Hon. the Treasurer, who, meanwhile, may be willing to notify acceptance of tenders by Saturday's mail to Messrs. Cowan, Spicer, and Detmold, of Melbourne; also to Messrs. Propsting and Co., and Walch and Son. Mr. Button might be requested to obtain his father's guarantee for the two schedules offered to him, the bond to contain the conditions named above.

C. H. HUXTABLE, *Colonial Storekeeper.*
24th July, 1891.

The Hon. the Treasurer.

REPLY to Mr. Hedley Button's letter of 23rd July that as Mr. Button, sen., does not appear willing to be responsible for the contract which we understood he was entering into in his father's name, I consider it advisable to accept the tenders of other firms for the stationery, &c.

Inform Mr. Walch that his tenders for Schedules 4 and 8 are accepted; also Mr. Propsting that his tender for No. 1 is accepted; also Cowan & Son for 2 and 3, and Spicer & Sons for 5 and 6, and Detmold for 7.

My former decision *re* these tenders is cancelled hereby.

B. S. BIRD.
28. 7. 91.

Colonial Storekeeper.

FORWARDED to the Auditor-General, with Schedules Nos. 1 to 8, through the Hon. the Treasurer.

C. H. HUXTABLE, *Colonial Storekeeper.*

The Under Treasurer.

FORWARDED to the Auditor-General.

J. E. PACKER, *Under Treasurer.*
23. 2. 92.

Hobart, 29th July, 1891.

DEAR SIR,

I AM instructed by the Hon. the Treasurer to acknowledge receipt of your letter of the 23rd instant, and to inform you that as Mr. Button, Sen., does not appear willing to become responsible for the contract which it was understood you were negotiating in his name, the Treasurer considers it desirable to accept the tenders of other firms for the whole of the stationery, which has accordingly been done.

I regret that the time and trouble that has been expended by you in preparing the several tenders has not proved successful.

I am, &c.

C. H. HUXTABLE, Colonial Storekeeper.

Mr. HEDLEY BUTTON, Launceston.

Launceston, 31st July, 1891.

DEAR SIR,

SINCE receiving a letter this morning from the Colonial Storekeeper I have had a conversation with my father, who has promised to write you on my behalf. Of course, as I anticipated no kind of hitch, I have ordered line by cable as promised, and placed other orders by mail to save time, and trust you will be able to arrange matters satisfactorily.

Yours faithfully,

HEDLEY BUTTON.

Hon. B. S. BIRD, Hobart.

Launceston, 1st August, 1891.

SUGGESTIONS for the consideration of the Hon. the Treasurer :—

1. Order for parchment to be cancelled, except special lines cabled for.
2. Delivery of the whole order to be delayed until July or later next year, 1892.
3. All articles, if purchased at lower rates than quotations have been based on, Mr. Hedley Button will be content with a profit of ten per cent. on invoice cash prices. Conditions of old contract to be withdrawn on completion of above arrangement ; charges and duty in addition.

HEDLEY BUTTON.

MEMO. to Colonial Storekeeper.

IN reply to Mr. Button's new proposal, state that if he is willing to take $7\frac{1}{2}$ per cent. advance on the average of the Melbourne tenders and deliver the goods not earlier than July and following months of next year, I will agree to that. Point out that if the Melbourne houses can do the work at the average figures referred to, Mr. Button ought to have a good margin of profit if he gets $7\frac{1}{2}$ per cent. advance on their prices for the work done here. Explain the position fully to him, and urge him as a compromise to accept it. Explain that I should not have accepted his tender in the first instance if I had known that his father was not the tenderer, as it now appears he was not.

B. S. BIRD.
5. 8. 91.

Office of Stores, Hobart, 6th August, 1891.

DEAR SIR,

IN reply to your telegram of to-day, I have to state that I cannot send you the lowest tenders as requested—they are in the possession of the Law Officers of the Crown. Even if I had them I could not part with them without authority, but am glad to furnish you with information that will be as useful, I think. I send the average of the Melbourne tenders under each schedule, classified in accordance with the duties leviable :—

	Free.	5 per cent.	12½ per cent.
	£	£	£
Schedule No. 2	318	...	754
" 3	...	...	718
" 4	...	...	538
" 5	...	3050	...
" 6	...	...	1085
" 7	...	...	305
	<u>£318</u>	<u>£3050</u>	<u>£3400</u>

Hoping that this will be sufficient for your purpose,

I am, &c

C. H. HUXTABLE, Colonial Storekeeper.

Mr. HEDLEY BUTTON, Launceston.

7th August, 1891.

To Mr. C. H. HUXTABLE, *Colonial Storekeeper, Hobart.*

DEAR SIR,

I HAVE yours of the 5th and 6th instant; the former has your offer of $7\frac{1}{2}\%$ free of all expenses. As you pointed out when in Launceston last Saturday, if I agree to a 10% commission on London invoices I should be making a very large concession off prices previously accepted. When you named various rates from 10% to 15% , I considered 10% sufficient if clear of all expenses, and I mentioned I should feel satisfied if I could clear that amount after paying all expenses. My desire is not to exceed the prices paid to other houses, and for that reason wished to have copies of schedules accepted from various houses (for each class the lowest tender), and to serve you fairly I should have every opportunity given me. If I buy on a commission for the Government the whole matter is altered, and I should be armed with fullest possible information, else I should have only a copy of my own quotations to guide me in buying. I am now prepared to accept (on guarantee) an arrangement from the Government to purchase stationery (at prices as near to schedules asked for above) on a 10% (ten per cent.) commission on London invoices. If necessary I will pay duties, but the Government to repay same and all other expenses connected with purchase of said goods. The 10% above referred to is lowest I could afford to undertake as an alteration of existing arrangements. I may say I should much prefer to work the whole at my prices (which are lower than the English by some hundreds of pounds) as per schedules now with you, but, as you suggested last Saturday, the 10% was a very moderate and reasonable remuneration to accept when contract would give me much more, and you assured me there should be no quibble at this.

As I am bound to leave for London almost immediately, a reply by return will oblige.

Yours &c.

HEDLEY BUTTON.

P.S.—It would suit my purpose better to adhere to my original arrangement and complete bonds.

H.B.

*Office of Stores, Hobart, 10th August, 1891.*Mr. H. BUTTON, *Launceston.*

DEAR SIR,

I HAVE to acknowledge the receipt of your letter of the 7th instant, and am instructed to inform you, in reply, that the object had in view by the Hon. the Treasurer in making you the offer of the 6th instant was, not so much that of reducing your remuneration (for $7\frac{1}{2}\%$ on the total cost, including charges and duties, approximate to your own offer), as that of placing the proposed arrangement on a sounder basis. The Treasurer objects to give any firm the power of purchasing goods in London on account of the Government at unlimited prices; a limit must be fixed, and a reasonable one appears to be the average quotations of a number of Melbourne firms, for if they (providing all necessary funds) are able to place their goods here at certain prices, you ought to be able to place them here at the same rates, or less, you having the advantage of a cash credit in London to the extent of 75 per cent. of the cost of all goods not carrying local work. The Treasurer agrees to allow the percentage you ask for, viz., 10 per cent on invoice prices, excluding charges, conditionally that the total cost of invoices, and all charges and duties (except the 10 per cent.), shall not exceed the average of the Melbourne tenders, copies of which will be handed to you as soon as arrangements shall have been completed. You will understand that this is agreed to by the Hon. the Treasurer only with the hope that it may encourage local industry and enterprise.

I am &c.

C. H. HUXTABLE, *Colonial Storekeeper.*

TELEGRAM.

Launceston, 11th August, 1891.

SEND to night's post certain copies of schedules with highest and lowest prices in different columns, to judge for myself if your proposals are workable.

HEDLEY BUTTON.

*Colonial Storekeeper.**Hobart, August 14th, 1891.*

DEAR SIR,

FOLLOWING our conversation of yesterday morning, and on your suggestion I beg to submit the following proposals, viz:—

That all goods that have been specially ordered as per schedules (being required at an early date) be taken on arrival by the Government at my original schedule rates.

That the order for Quad. and D. Foolscap printing be cancelled by cable, and these with other lines to be included at 10 per cent. rate, and delivered in second half of 1892.

Schedule No. 4, in which there was only one Melbourne tender to be taken at my own schedule rates.

In the event of the market prices having risen, and so prevent possibility of purchasing at the average Melbourne rates, such advance to be allowed on producing certificate to the effect from the Agent-General.

Yours faithfully,

HEDLEY BUTTON.

The Hon. B. S. BIRD, Treasurer, Hobart.

[Endorsements.]

Colonial Storekeeper.

I WISH your opinion clearly stated as to this altered proposal. Can you recommend it as being little, if any, more costly for the Government than the last offer we made to Mr. Button *re* the 10% arrangement?

B. S. BIRD.
14. 8. 91.

THERE is an element of uncertainty connected with the last paragraph of Mr. Button's letter, from which he himself does not anticipate any difficulty. In other respects an additional cost of about £150 may be estimated through orders having been already placed. With this understanding, the alteration is recommended.

C. H. HUXTABLE, *Colonial Storekeeper.*
14. 8. 91.

The Hon. the Treasurer.

NOTE.—Extract from Instructions to the Agent-General.

"IN the event of market prices having risen, and so prevent the possibility of Mr. Button purchasing at the average Melbourne rates, such advance to be allowed on producing certificate from the Agent-General to that effect. This refers, of course, to a general rise, not to any possible inability of Mr. Button to make advantageous purchases."

APPROVED.

B. S. BIRD.
14. 8. 91.

Office of Stores, Hobart, 17th August, 1891.

MEMORANDUM requesting that a Bond be prepared for transmission to Launceston by this night's post for the due fulfilment of contracts for stationery entered into with Mr. Hedley Button, Printer and Stationer, of Launceston, and Mr. Henry Munton Middows, Gentleman, of Launceston, as surety in the sum of Five hundred (500) Pounds, as per the under-mentioned Schedules forwarded herewith; viz.:—Nos. 2A, 2B, 3, 4, 5A, 5B, 6A, 6B, 7.

C. H. HUXTABLE, *Colonial Storekeeper.*

The Hon. the Treasurer.

[Endorsement.]

The Hon. the Attorney-General.

MR. BIRD is particularly anxious that this Bond should be prepared in time for Mr. Button to execute before he leaves for England, which he proposes to do on Wednesday next, *via* Launceston.

J. E. PACKER.
17. 8. 91.

FORWARDED to the Crown Solicitor.

F. STOPS.

BOND herewith as requested.

E. D. DOBBIE.

FORWARDED to the Clerk of the Peace, Launceston, with the request that he will be good enough to arrange for the execution of the Bond that is forwarded herewith. Alterations to be initialled. *Gazette* Notice to be signed by Mr. Button, and all the Schedules to be signed by Dr. Thompson.

C. H. HUXTABLE.
17. 8. 91.

BOND herewith returned duly executed.

W. HUNT, *Clerk of the Peace.*
18. 8. 91.

COPY OF BOND.

Stamped in my presence.

THOS. H. MAGRATH, *Collector.*

KNOW ALL MEN by these Presents that we Hedley Button of Launceston in Tasmania Stationer and Lavington Grey Thompson of Launceston in Tasmania aforesaid Doctor of Medicine are, and each of us is jointly and severally held and firmly bound unto Our Sovereign Lady the Queen Her Heirs and Successors in the sum of Five Hundred Pounds of lawful Money of Great Britain for which payment to be well and truly made unto Our said Lady the Queen Her Heirs and Successors we do and each of us doth

hereby bind ourselves and each of us and each of our Heirs Executors and Administrators firmly by these Presents. Sealed with our Seals. Dated the eighteenth day of August in the year one thousand eight hundred and ninety-one.

Whereas the above-bounden Hedley Button has contracted and agreed with the Honorable Bolton Stafford Bird of Hobart in Tasmania aforesaid Esquire (being and as Chairman of the Board of Tenders) on behalf of Her said Lady the Queen to supply Her Majesty's Colonial Government at Hobart with the several goods chattels and things enumerated in the Schedules hereunto annexed and marked 2A, 2B, 3, 4, 5A, 5B, 6A, 6B, and 7 respectively at the prices and upon the terms therein mentioned the same to be in the best condition and to be delivered by the said Hedley Button at his own expense at the Government Stores Hobart in accordance with the terms specified in the said Schedules but not later than the thirty-first day of December one thousand eight hundred and ninety-two: And whereas the said Hedley Button has been required to give security in the sum of Five hundred Pounds for his due and faithful performance of the said contract and accordingly has requested the above-bounden Lavington Grey Thompson (as surety) to enter into the foregoing obligation which he has consented to do: Now the Condition of the above-written obligation is that if the above bounden Hedley Button his Executors or Administrators do and shall at his and their own expense deliver the above-mentioned articles at the prices aforesaid and in manner aforesaid in the best condition at such times and in such quantities from time to time respectively as shall be necessary for the due performance of the said contract by the said Hedley Button his Executors or Administrators then the above-written obligation shall be void or otherwise remain in full force and virtue.

Signed sealed and delivered by the above-bounden Hedley Button in the presence of—WM. HUNT.

HEDLEY BUTTON.

Signed sealed and delivered by the above-bounden Lavington Grey Thompson in the presence of—WM. HUNT.

L. G. THOMPSON, M.D.

Schedules showing detailed sample numbers, quantities, and descriptions of articles accompany the Bond. Schedules 2A, 3, 4, 5A, 6A, and 7 each bear the following endorsement:—"The whole at an advance of ten (10) per cent. on the invoice cash prices in London, conditionally that the total cost of invoices and all charges and duties (except the ten (10) per cent. shall not exceed the average Melbourne tenders." Schedules 2B, 4, 5B, and 6B, are contracts at fixed prices. No. 4 appears to be a duplicate schedule, the fixed price schedule alone having been acted upon. Each schedule is signed by the tenderer "Hedley Button," and the surety "L. Grey Thompson."—J. W. I.

Office of Stores, Hobart, 17th September, 1891.

SIR,

I HAVE the honor to enclose herewith for transmission to the Agent-General, London, copies of documents relating to an agreement entered into by the Government of Tasmania with Mr. Hedley Button, of Launceston, for supplying stationery for the Public Service of this Colony, in connection with which agreement Mr. Button has proceeded to England, where he will place himself in communication with the Agent-General:—

1. Preliminary proposition from Mr. H. Button cancelling a former agreement and offering other terms.
2. Letter from Colonial Storekeeper to Mr. Button, dated 5th August, conveying an offer from the Hon. the Treasurer.
3. Letter from the Storekeeper to Mr. Button, dated 10th August, conveying a final offer from the Treasurer, which was accepted by Mr. Button and carried into effect in the tenders, copies of which are annexed to the bond.
4. Bond with tenders attached.
5. Table showing the averages of Melbourne tenders and the amount of Customs duties leviable in the Colony.

I have to make the following remarks:—

Goods named in Schedules 2A, 3, 4, 5A, 6A, and 7 are to be shipped so as to arrive here not earlier than the second half of 1892, and are to be paid for at an advance on the cost prices.

Goods named in Schedules 2B, 5B, and 6B are to be shipped as soon as possible, and are to be paid for at fixed prices as quoted on the respective schedules without further advance.

The Agent-General is to pay to Mr. Button or to his order, on delivering invoices, bills of lading, policies, and other shipping documents, a sum equal to three-fourths of the invoice cost of the goods on Schedules 2A, 2B, 4, 5A, 5B, and 7, provided that their total cost (including charges payable in England and Customs duties payable in the Colony) shall not exceed the average of tenders from Melbourne houses as given in Table No. 4.

Table 4 has been compiled to assist in estimating the amount to which Mr. Button's invoices should be limited in order that the averages of Melbourne tenders shall not be exceeded.

Mr. Button is not entitled to receive from the Agent-General any cash advance on account of Schedules 3, 6A, or 6B, as these goods will be shipped by himself to his own order.

The Government has further agreed that, in the event of market prices having risen, and so prevent the possibility of Mr. Button purchasing at the average Melbourne rates, such advance to be allowed on producing certificate to that effect from the Agent-General; this refers of course to a general rise, not to any possible inability of Mr. Button to make advantageous purchases.

I have, &c.

C. H. HUXTABLE, *Colonial Storekeeper.*

Office of Stores, Hobart, September 17, 1891.

STATEMENT of the average of Melbourne Tenders for Schedules 2 to 7, Contract for Stationery, Tasmania.

Number of Schedules.	Gross Average including Freight, Insurance, Packing, Shipping Charges, and Customs Duties.	Amount of Customs Duties payable by Contractor in Hobart.	Rate of Customs Duties.	Net Average, less Customs Duties.
	£ s. d.	£ s. d.		£ s. d.
2	754 0 0	84 0 0	12½ %	670 0 0
2	318 0 0	...	Free	318 0 0
3	718 0 0	80 0 0	12½ %	638 0 0
4	547 0 0	61 0 0	12½ %	486 0 0
5	3050 0 0	145 0 0	5 %	2905 0 0
6	1085 0 0	52 0 0	5 %	1033 0 0
7	305 0 0	84 0 0	12½ %	271 0 0
	6777 0 0	456 0 0		6321 0 0

Hobart, 29. 2. 92.

DEAR SIR,

FOLLOWING our conversation of this morning, I beg to state that as nearly as one can judge, the value of goods recently purchased by me in London for the Storekeeper is £6000 odd sterling (six thousand pounds), and deliveries take place about next July.

In terms of the arrangement between the Stores Department and myself, an amount of 10 % is payable to me, a part of which I should be glad to use now, and therefore beg you will kindly let me have a certificate (to the above effect) which I may use with my Banker in obtaining the desired accommodation.

I am, &c.

The Hon. B. S. BIRD, Treasurer.

HEDLEY BUTTON.

REFERRED to the Colonial Storekeeper as to the amount named, and the terms.

J. E. PACKER, Under Treasurer.
29. 2. 92.

THE cash value of Stationery ordered from Mr. Button, and to arrive about July next, exceeded six thousand pounds (£6000), on which amount he is to receive a commission of ten per cent. (10 %).

C. H. HUXTABLE, Colonial Storekeeper.
1. 3. 92.

The Under Treasurer.

Treasury, 1st March, 1892.

SIR,

At the request of Mr. Hedley Button, I have the honor to state that the following report has been made by the Colonial Storekeeper with reference to goods purchased by Mr. Button in London, to be delivered to the Tasmanian Government in due course:—

“The cash value of stationery ordered from Mr. Button, and to arrive about July next, exceeds six thousand pounds (£6000), on which amount he is to receive a commission of ten per cent. (10 %).”

I have, &c.

J. E. PACKER, Under Treasurer.

The Manager the Commercial Bank of Tasmania, Limited.

Launceston, March 3rd, 1892.

SIR EDWARD BRADDON, Agent-General, London.

DEAR SIR,

I AM glad to be able to report I have reached home again safely, and thankful to find all very well. As some goods are being shipped to me direct, and no cash advance is due in London, there will be no need to advise you of them, but only lines entitled to such advance. I enumerate below:—

	£ s. d.
Spicer Bros.	1700 0 0
John Dickenson & Co.	40 0 0
Brown, Brough, & Co.	62 10 0
H. Hymans	76 10 0
Wiggins, Teape, & Co.	950 0 0
Soper & Co.	75 0 0
E. Lloyd & Co.	900 0 0

There will be a few other lines to add later on ; but I cannot yet advise, as the orders are not placed, there being no hurry this end. Trusting all with you is well, and thanking you very heartily for your great kindness and assistance to me while in London,

Believe me, &c.

HEDLEY BUTTON.

Office of Stores, Hobart, 6th March, 1892.

MEMORANDUM for the Hon. the Treasurer.

ENCLOSING the under-mentioned papers connected with an agreement made with Mr. Hedley Button, to the effect that the Agent-General should advance a sum equal to three-fourths of the invoice cost of goods, provided that their total cost should not exceed the average of tenders from Melbourne:—

1. Agent-General's letter, dated 19th February last, stating that he was unable to make the advance (except in the case of certain goods which had been contracted for at fixed rates), because he had been furnished with totals only, while Mr. Button had divided the various Schedules amongst different firms.
2. Copy of letter, 29th March, Colonial Storekeeper to Mr. Button, and reply thereto, 30th March.
3. Copy of telegram, 31st March, Colonial Storekeeper to Mr. Button, and reply, 31st March.
4. Copy of Telegram, 2 April, Colonial Storekeeper to Mr. Button, and reply, 2 April, to which is attached copy of Mr. Button's letter to the Agent-General dated 3 March, 1892.
5. Mr. Button's letter to Colonial Storekeeper dated 5 April, enclosing a guarantee.
6. Statement showing that the maximum amount authorised to be paid as advances in London is..... £3820
Sums already advanced..... 186

Balance yet to be advanced.. £3634

Mr. Button states in his letter of 31st March that the advance now required is £3300, and he requests that a cablegram may be sent to the Agent-General to advance to that extent.

C. H. HUXTABLE, *Colonial Storekeeper.*

The Hon. the Treasurer.

MR. BIRD has seen this.

J. E. PACKER.
19. 4. 92.

The Colonial Storekeeper.

Office of Stores, 28th March, 1892.

SIR,

I HAVE the honor to return herewith the under-mentioned documents, received by the last English mail; viz:—

1. The Agent-General's letter, No. 67, dated 19th February, 1892, covering invoice and shipping papers for 18 bales of paper purchased by Mr. Hedley Button, and shipped on board the ship *Pallas* for Hobart.
2. The Agent-General's letter, No. 69, dated 19th February, 1892, advising that he was not able to carry out instructions authorising him to pay to Mr. Button's order 75 per cent. on invoice prices (on conditions), because the average of the Melbourne tenders had been forwarded to him in totals only, whereas Mr. Button had divided the different schedules amongst various firms.

I also enclose copies of letters showing that the arrangement made with Mr. Button, (1st) that he should be paid 10 per cent. on invoice prices, and (2nd) that the Agent-General is to pay to Mr. Button's order a sum equal to three-fourths ($\frac{3}{4}$) of the invoice cost of the goods, was contingent upon their total cost (including charges payable in England and Customs duties payable in the Colony) should not exceed the average of tenders from Melbourne houses.

I have now to furnish a statement showing that this condition has not been fulfilled in regard to the first shipment of papers bought by Mr. Button, and to request instructions thereupon.

I have to bring under your notice, however, the last clause of the instructions forwarded to the Agent-General; viz.—“The Government has further agreed that, in the event of market prices having risen, and so prevent the possibility of Mr. Button purchasing at the average Melbourne rates, such advance to be allowed on producing certificate to that effect from the Agent-General. This refers, of course, to a general rise, not to any possible inability of Mr. Button to make advantageous purchases.”

I have, &c.

The Honorable the Treasurer.

C. H. HUXTABLE, *Colonial Storekeeper.*

Hobart, 29th March, 1892.

SIR,

I SUBJOIN for your information an extract from a letter addressed by the Agent-General for Tasmania to the Hon. the Premier, dated 19th February, 1892:—"I find it is impossible to carry out the instructions contained in the Colonial Storekeeper's letter inclosed therein (*i.e.*, the Premier's despatch), that I should pay upon delivery of invoices, bills of lading, policies, and other shipping documents a sum equal to three-fourths of the invoice cost of the goods on Schedules 2A and 2B, 4, 5A and 5B, and 7, provided that their total cost, including charges payable in England and Customs duties payable in the Colony, shall not exceed the averages of tenders from Melbourne houses, as given in Table No. 5, as in the table referred to the total only of each tender is given, while Mr. Button has divided the various schedules amongst different firms.

I am, &c.

C. H. HUXTABLE, Colonial Storekeeper.

MR. HEDLEY BUTTON, Launceston.

Launceston, 30th March, 1892.

DEAR SIR,

YOURS of 29th instant to hand. As far as I can see everything is in order. If you look up the Schedule 5B you will see no mention of the 10 per cent. commission; the advance lots there enumerated come out at fixed prices, totalling £165 12s. 6d. Now that the arrangements for part payment have been ratified in London by the Agent-General personally to various heads of firms with whom I have placed orders, you will see the pressing need there is (to preserve faith) to advise him to pay 75 per cent. up to the schedule amount, and for my own credit's sake and interest I have kept my orders within the limits in the aggregate of the various schedules, so there cannot possibly be any over-advance being made by him. As shippers may start to put goods on board sailer any time in April, I cannot see any help for it but for you to cable direct to the Agent-General emphasising and repeating old instructions *re* 75 per cent. advance on total schedule.

As this last is the matter of the greatest importance, I beg you will do all in your power to prevent any repudiation when goods are shipped and payment asked for.

I am, &c.

HEDLEY BUTTON.

P.S.—Please send Spicer's invoice by first opportunity.

MR. C. H. HUXTABLE, Colonial Storekeeper, Hobart.

TELEGRAM to Mr. Hedley Button, Launceston.

WILL the Agent-General have in possession all the invoices comprising a schedule before he is asked to pay the advance on any portion of the schedule? If so, he will be able to satisfy himself that the aggregate of Melbourne tenders has not been exceeded. Please reply by this night's post.

C. H. HUXTABLE, C. S.
31st March, 1892.

Colonial Storekeeper, Hobart.

Launceston, 31. 3. 92.

DEAR SIR,

YOUR wire of this day to hand this afternoon. In reply, I cannot expect all houses from whom I have bought will ship their goods simultaneously, but this is sure, that all of the goods will be shipped in April, as I know some have been ready now some weeks.

If the Agent-General is advised to pay up to, say £4500 (four thousand five hundred pounds) he cannot go far wrong, and this will cover all he will be asked for in the aggregate and leave a small margin, as some few goods I am bound to have shipped me direct (not through the Agent-General).

You will of course understand the advance of 75 per cent. is upon the £4500, equal to £3300 odd, for the Agent-General to pay in cash in London.

As I personally introduced to the Agent-General all the large and principal shippers, I there and then felt I had done all that was possible for me to do to prevent any further trouble, and even asked both the Agent-General and manufacturers if either could think of any matter that needed settling then whilst I was in London. Had it been necessary I could have given *pro forma* invoices for nearly all my purchases, if only the suggestion had been made. I think I have said all that bears on the subject without being able to directly reply to your question in the wire, but I trust the information herein will enable you to frame a cable to London, and so avert any dissatisfaction to shippers.

Yours faithfully,

HEDLEY BUTTON.

TELEGRAM to Mr. Hedley Button.

2nd April, 1892.

PLEASE send written guarantee by post that any payment by Agent-General as an advance to your agent shall not be considered as proof that goods so advanced upon will be accepted upon arrival in Hobart as fulfilling terms of contract. This guarantee will be submitted to the Hon. the Treasurer upon his return to Hobart. In your letter you write "you will, of course, understand the advance is upon Four thousand five hundred Pounds (£4500), equal to Three thousand three hundred Pounds odd, for the Agent-General to pay in cash in London." Is this correct? Better send me details making up the £4500.

C. H. HUXTABLE, Colonial Storekeeper.

Launceston, 2. 4. 92.

C. H. HUXTABLE, *Colonial Storekeeper.*

DEAR SIR,

YOUR wire to hand this afternoon. I cannot gather your meaning about guarantee. I signed one on August 20th, 1891, and handed same to Will. Hunt, Launceston. With regard to details of accounts to be presented to the Agent-General in London, I am able to state that ere this a letter has reached him, naming various firms, with amounts opposite: so if you have despatched cablegram to him to carry out original instructions there will be no need for any uneasiness, as all shippers know no cash will be paid them until April at earliest, though they may have started to ship and apply for cash even yesterday, and still comply with instructions.

I enclose, for your perusal, my press copy of letter to the Agent-General, which please return at earliest convenience.

Amounts as per press copy herewith, and freights and packing, will bring up the total to as nearly as possible the amount I have already advised.

Yours, &c.

HEDLEY BUTTON.

Launceston, 5th April, 1892.

The Colonial Storekeeper, Hobart.

DEAR SIR,

I HEREWITH enclose the Memorandum I received from you this morning, and signed as you desired. I hope for sakes of all concerned that none of the shippers have applied to the Agent-General for cash in London and been disappointed.

Yours truly,

HEDLEY BUTTON.

Launceston, 5th April, 1892.

MEMORANDUM.

I UNDERSTAND and agree that any payments made by the Agent-General, London, as advances on invoices of Stationery purchased by me or by my agents, shipped to Hobart, and consigned to the Government of Tasmania, shall not be taken as proof that goods so advanced upon will be accepted, on arrival in Hobart, as fulfilling terms of contract.

HEDLEY BUTTON.

[TELEGRAM.]

6th April, 1892.

SEVENTY-FIVE (75) per cent. may be paid on any Button's consignments to Tasmanian Government to extent of three thousand four hundred pounds (£3400) cash advance.

TREASURER.

To the Agent-General, London.

MEMO. for the Colonial Storekeeper.

Hobart, 2nd May, 1892.

HEDLEY Button's Contract having been perused, is herewith returned with thanks. Please send copies of these Tenders on printed forms, or if the latter are sent to Audit Department, copies will be made here. Please forward papers with reference to payment of 75 per cent. of invoice price in London, 25 per cent. in the Colony. Information is also required showing how average price of Melbourne tenders is ascertained.

J. W. ISRAEL, *Deputy Auditor.**The Deputy-Auditor.*

[Endorsement.]

COPIES of Mr. Button's Tenders have been made for this office, and the originals (with the bond) are forwarded herewith, with the Treasurer's authority for payment of 75 per cent. in London. Also a statement showing the average of Melbourne tenders, which will serve (on receipt of invoices) to show how the commission of ten per cent. payable to Mr. Button will be arrived at.

C. H. HUXTABLE, *Colonial Storekeeper.*
12. 5. 92.

Audit Department, Hobart, 25th August, 1892.

MEMO. for the Colonial Storekeeper.

WILL the Colonial Storekeeper be good enough to favour the Auditor-General with a statement of the amount of the average Melbourne tenders for stationery for 1892, and with the estimated total of Mr. Hedley Button's tender for similar articles, as contained in his contract of 18th August, 1891.

J. W. ISRAEL, *Deputy Auditor.*

RETURNED with statement as requested.

C. H. HUXTABLE, *Col. Storekeeper.*
27. 8. 92.

MEMO. for Colonial Storekeeper.

AN immediate reply is requested to a Memorandum from this Department of date 25th August, 1892, asking for a statement of the amounts of the average Melbourne tenders for stationery for 1892, also the estimated total of Mr. H. Button's tender for similar articles.

W. LOVETT, *Auditor-General.*
27. 8. 92.

Audit Department, Hobart, 30th August, 1892.

MEMO. for Colonial Storekeeper.

THE Colonial Storekeeper is again reminded that no reply has been received to an application from this Department for information as to the average amount of Melbourne tenders for stationery, &c. for 1892, forwarded on the 25th August, a reminder having also been sent on 27th August. Unless reply is received to-day the matter will be referred to the Hon. the Treasurer.

W. LOVETT.

[Endorsement.]

THE Colonial Storekeeper has only just completed papers for the Hon. the Treasurer. The Auditor-General's memorandum will be returned this morning. He regrets the delay, which was unavoidable.

C. H. HUXTABLE, *Colonial Storekeeper.*
30. 8. 92.

[Endorsement to Memo of 27. 8. 92.]

THE averages of Melbourne tenders (without No. 4, which was irregular, not having been set before Melbourne firms) is given in the paper attached. Mr. Button's limit is the same, with the addition of No. 4 Schedule attached (£579 1s. 7d.) One tender for Schedule No. 4 was submitted by a Melbourne house (Messrs. Sands and M'Dougall) on the chance of its being taken into consideration, and amounted to £537 19s. 0½d. Being irregular it was not preserved, and was probably returned to Messrs. Sands and M'Dougall, who were then in Hobart.

Mr. Button was to receive payment for Schedule No. 4 at his own schedule rates. (See approval of the Hon. the Treasurer of 14th August, 1891, attached hereto.)

C. H. HUXTABLE, *Colonial Storekeeper.*
30. 8. 92.

The Auditor-General.

Office of Stores, 30th August, 1892.

MEMO. to Auditor-General.

FORWARDING Mr. Button's tender for Schedule No. 4, accidentally left out of envelope containing papers forwarded this day.

C. H. HUXTABLE, *Colonial Storekeeper.*

Office of Stores, 30th August, 1892

MEMO. for Deputy Auditor.

FORWARDING Melbourne tenders for Schedules 2, 3, 5, 6, and 7.

C. H. HUXTABLE.

AVERAGE of Melbourne Tenders.

		£	s.	d.	£	s.	d.
Schedule 2	Detmold	1176	16	2			
	Spicer	1110	14	11			
	Sands & M'Dougall	1039	2	5			
	A Cowan	962	12	9			
		4)	4289	6	3	=	1072 6 7
Schedule 3A	Cowan	504	17	3			
	Detmold	848	12	6			
	Sands & M'Dougall	799	18	7			
		3)	2153	8	4	=	717 16 1
Schedule 5	Sands & M'Dougall	3065	14	0			
	Detmold	2995	17	4			
	Cowan	3203	2	3			
	A Spicer	2986	3	10			
		4)	12,200	17	5	=	3050 4 4
Schedule 6	Sands & M'Dougall	1176	2	5			
	Detmold	1015	12	2			
	Cowan	1108	7	0			
	A Spicer	1038	19	4			
		4)	4339	0	11	=	1084 15 3
Schedule 7	Sands & M'Dougall	337	5	2			
	Cowan	294	3	11			
	Spicer	302	5	10			
	A Detmold	287	15	11			
		4)	1221	10	10	=	305 7 9
							<u>£6230 10 0</u>

C. H. HUXTABLE, Colonial Storekeeper.
27.8.92.

"A" accepted.

Note.—For comparison, above to be modified by eliminating items that do not appear in Hedley Button's contract.

J. W. L.,
31.8.92.

Office of Stores, Hobart, 6th September, 1892.

Re Arrangement with Mr. Hedley Button.

MEMORANDUM.

THE arrangement with Mr. Button was to the effect that he was to furnish certain goods similar to those for which tenders were invited in 1891, excepting those on Schedules 2B, 4, 5B, and 6B (which were to be charged for at fixed rates), for which he was to be paid the invoice cost in England, plus shipping charges, Customs duties, cartages, &c., provided that the total amount of invoices and all charges should not exceed the average of Melbourne tenders, and that he should be paid in addition ten per cent. (10%) commission on the invoice cost (without charges). An advance of seventy-five per cent. (75%) on

invoices and English charges was to be paid by the Agent-General to Mr. Button or to his agent on delivery of shipping documents for certain goods.

Mr. Button proceeded to England at his own expense.

The cost of stationery under this arrangement, compared with that of similar supplies procured by tender in 1891, is as follows:—

(Approximately, all the goods not being to hand.)		£
Cost under arrangement with Mr. Button		7581
Loss of interest on advances by the Agent-General from date of payment to 31st December, 1892 (about which time the goods if procured by tender would be paid for in Hobart, as per table attached), at 5 per cent.....	£123	
Premium of Exchange at 15s. per cent.	30	
	153	
	£7734	
Cost of similar Goods as per accepted tenders	£6312	

C. H. HUXTABLE, Colonial Storekeeper.

The Hon. the Treasurer.

Comparative Statement showing Cost of Stationery supplied by Mr. Hedley Button, Melbourne Tenders, Detmold & Cowan & Co., &c., and by Agent-General, for precisely the same Goods, 1891-92, all at net cash prices delivered Hobart.

MR. BUTTON.			MELBOURNE TENDERS.		AGENT-GENERAL.
Schedule No.	Amounts.	TOTAL.	Schedule No.	Amounts.	Amounts.
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
2	1044 2 3 }	1163 5 7	2	954 2 2	1556 11 3
2 B	119 3 4 }				
3	592 4 4 }	592 4 4	3	504 17 3	998 7 4
5	3128 10 5 }	3331 12 11	5	2936 3 10	3769 0 6
5 B	203 2 6 }				
6	902 11 3 }	1195 11 3	6	1038 19 4	1580 3 3
6 B	293 0 0 }				
7	333 9 0 }	333 9 0	7	287 15 11	400 18 2
TOTALS		£6616 3 1	...	5721 18 6	8305 0 6

	£ s. d.
English	8305 0 6
Button	6616 3 1
Melbourne	5721 18 6

Checked by—

HUGH HULL, C.C.

NOTE A.—Schedule 4, being at fixed prices, and not having any corresponding Melbourne Tenders to compare with it is left out of this Return. (Amount, £580 10s. 7d.)

NOTE B.—Goods “yet to arrive” have been calculated on the average of Melbourne Tenders, there being no other data to go upon.

Correct.

C. H. HUXTABLE, Colonial Storekeeper.

Correct.

W. LOVETT, Auditor-General.
11th October, 1892.

Mr. Button's Account.

	Schedule No.	Amounts.			
		£	s.	d.	£ s. d.
Payments made to 30th September, 1892.....	2	594	9	6	
	2 B	119	3	4	
	3	595	4	2	
	5	3018	5	11	
	5 B	183	12	6	
	6	821	17	8	
	6 B	193	0	0	
	7	327	13	6	
					5853 6 7

Average of Melbourne Tenders taken for items below, except for Fixed Price item.

Payments to be made.		Schedule No.			
Decapolis	Commission ...	2	288 18 9		
		...	28 17 10		
				317 16 7	
	Commission	2	124 5 5		
		...	12 8 6		
				136 13 11	
Decapolis	Commission ...	5	31 14 9		
		...	3 3 6		
				34 18 3	
Berean	Commission ...	5 A	68 13 10		
		...	6 17 5		
				75 11 3	
	Fixed Prices	5 B	19 10 0		
				19 10 0	
	Commission ...	6 A	73 6 10 ³ / ₄		
		...	7 6 8 ⁴ / ₄		
				80 13 7	
		6 B	100 0 0		
				100 0 0	
	Commission ...	7	17 6 3		
		...	1 14 8		
				19 0 11	
Decapolis	Commission ...	7	1 12 3		
		...	0 3 3		
				1 15 6	
				6639 6 7	
Less cost of excess as under*				25 13 4	
				6613 13 3	
Add cost of four reams Paper (Royal White) to equalise Mr. Button's Accounts with Melbourne Tenders.....				2 9 10	
TOTAL.....				6616 3 1	

* Schedule No.	Amount.
	£ s. d.
2	4 17 9
3	2 19 10
5	2 3 11
7	15 0 11
5	0 10 11
..	25 13 4

Checked by—

HUGH HULL, C.C.

Launceston, 13th October, 1892.

To Mr. H. HULL, Colonial Storekeeper.

DEAR SIR,

Re cheque for envelopes, &c. I have a bill due to-day for just £300, and the Bank will apply to you for same; kindly let them have the amount due and so save my name; the matter is really urgent. All else is to hand and understood in abstract sent.

Yours, in haste,

HEDLEY BUTTON.

TELEGRAM.

Launceston, 13th October.

To Colonial Storekeeper.

BILL due this day. No cheque received for envelopes and other sundries; wire reply urgent.

HEDLEY BUTTON.

[Endorsement to Telegram.]

APPLIED at the Treasury, and informed that the claim not ready yet for payment.

MEMO. from Colonial Storekeeper to Deputy Auditor.

17th November, 1892.

WILL the Deputy Auditor kindly let me have my bundle of unaccepted Melbourne tenders in order that I may proceed with the comparison between Mr. H. Button's payments and the Melbourne averages?

HUGH HULL, *pro* Colonial Storekeeper.

[Endorsement.]

PACKET of unaccepted tenders, with rough figures and papers used for compiling comparative return attached thereto, sent on loan to Mr. Hull.

J. W. ISRAEL.
17. 11. 92.

I G / 501.

Audit Department, Hobart, 21st November, 1892.

4041.

MEMO for the Hon. the Treasurer.

Mr. Hedley Button's Stationery Contract.

THE accompanying papers are forwarded for the information of the Hon. the Treasurer, namely:—

- (A) Invoice received with Agent-General's Accounts.
- (B) Invoice used for passing goods through Customs Department.
- (C) Warrant 1020, October, 1892, Launceston, passing goods.
- (D) Valuation Paper declaring to values.
- (E) Memo. to Collector of Customs, Launceston.

Invoices (A) and (B) are for the same Goods—with the exception of one small hand-press, value £3 17s., and belonging to Mr. Button, shown in Invoice (B). The last mentioned invoice was received upon application to the Customs Department in consequence of this Department not being able to reconcile the duty paid with the values shown in the Invoice (A) received through the Agent-General.

	£	s.	d.
Invoice (A) shows—Total Value.....	272	4	11
„ (B) (omitting hand press £3 17s.) shows.....	210	12	2

The amount short paid for Duty, if the first-mentioned amount is the correct one, is £6 6s. 9d. (being £29 0s. 11d. at 5 per cent. ad valorem, and £32 11s. 10d. at 15 per cent. ad valorem).

With reference to Mr. Button's Stationery Contract itself the whole of the accounts hitherto passed have been based upon the prices shown in the Invoices received through the Agent-General, and the same course would have been followed with reference to Invoice (A) had not the difference of Duty necessitated a comparison of invoices—indeed 75 per cent. of amount of Invoice (A) has already been advanced by the Agent-General. The difference shown in the totals of the two Invoices amounts to £61 12s. 9d., but the loss to the Government would, upon payment of the larger amount, have amounted to £19 4s. 10d. caused through the operation of the Contract conditions that certain schedule prices shall not exceed those of the “average Melbourne tenders.” This is explained as follows:—

If paid under Invoice (A)—Agent-General's Invoice:—

Goods chargeable under "Fixed Price" Schedule	£ s. d.
The amount of these in Invoice	119 10 0
but the fixed prices amount to £119 10s.	
Balance of Invoice	162 8 5
Total Invoice	£272 4 11

As the £162 8s. 5d., together with charges, £24 5s. 1d., would exceed the average of the Melbourne tenders (£159 6s. 11d.) the Melbourne averages are allowed 159 6 11
Add allowance of 10 per cent. on £162 8s. 5d. 16 4 10

Total if paid under Invoice (A) £295 1 9

If paid under Invoice (B)—Invoice presented at Customs:—

Goods invoiced at an amount of	£90 10 6	£ s. d.
but allowed for at fixed prices, @		119 10 0
Balance of Invoice	120 1 8	120 1 8
Total Invoice	£210 12 2	

Charges allowed under contract..... 24 5 1
Add allowance of 10 per cent. on £120 1s. 8d. 12 0 2

£275 16 11

Excess Invoice (A) over Invoice (B) £19 4 10

W. LOVETT, Auditor-General.

(A.) & (B.)

Details of Invoices follow.

Invoice received with Agent-General's Accounts totals £272 4s. 11d., and Invoice passed through Customs Department totals £210 12s. 2d.

(C.)

INWARDS.

In the "Berean."
From London.

1020
Port of Launceston, 18th October, 1892.
H. BUTTON,
Per H. J. HUDSON.

	Value.	Rate of Duty.	Duty.	Wharfage.	Total.
	£ s. d.	£	£ s. d.	£ s. d.	£ s. d.
W T H B 6 Med. Bales Printing Paper (in triangle) in original wraps, and with uncut edges; 4 Med. Cases ditto.....	78 15 4	5%	3 18 10	0 7 6	
Launceston. 17 Med. Cases Stationery.....	131 16 10	15%	19 15 7	0 5 0	
13/21 60/77 (Enclosed) Printing Materials	3 17 0	Free.	...	1 1 3	
			23 14 5	1 13 9	25 8 2
To be allowed H. Button in A/cs., less charge- able to Fixed Price Goods			12 10 7	0 14 6	
Amount to be allowed.....			£11 3 10	0 19 3	

[TELEGRAM.]

Collector of Customs.

PLEASE send Valuation Paper for Warrant One thousand and twenty, October, Button's Stationery.

W. LOVETT, Auditor-General.
19. 11. 92.

VALUATION Paper for Warrant 1020, October, herewith, as requested by the Auditor-General.

J. BARNARD.
19. 11. 92.

(D.)

PARTICULARS AND VALUES OF INVOICES.

October 18th, 1892.

Ex "Berean."

Master; from London.

W	T			INVOICE VALUE.	DUTY.
	G	H B	6 Med. Bales Printing Paper, in original wraps, and with uncut edges.	£ s. d.	£ s. d.
	(in triangle)				
	Launceston		4 Med. Cases, ditto	78 15 4	3 18 10
13/21	60/77		17 " " Stationery	131 16 10	19 15 7
			(Enclosed) Printing Materials	3 17 0	...
					<u>£23 14 5</u>

H. BUTTON.
H. J. HUDSON.
17. 10. 92.

FORM OF DECLARATION.

I, H. J. HUDSON, hereby declare that the Items appearing on the other side hereof are truly and correctly extracted from the Invoices herewith produced, and that the Values set against such Items are the real and true values, being the purchase Prices, and the amounts actually paid or agreed to be paid by me. And I further declare that I have not received any other Account or Invoice for these Goods.

H. J. HUDSON.

Declared before me, this 17th day of October, 1892.

P. C. ROCHER, *L.W.*

Audit Department, Hobart, 16th November, 1892.

MEMO. for the Collector of Customs, Launceston.

Mr. Hedley Button's Stationery Accounts.

WARRANT No. 1020, of October, 1892, shows 6 medium bales and 4 medium cases printing paper, value £78 15s. 4d., and 17 medium cases stationery, value £131 16s. 10d., total value £210 12s. 2d.; whilst invoice with Agent-General's accounts shows value as £272 4s. 11d.

Will the Collector be so good as to obtain the original invoice and forward same to this Department for inspection?

J. W. ISRAEL, *Deputy Auditor.*

ORIGINAL invoice herewith; to be returned as soon as convenient.

JAMES BARNARD, *pro Collector of Customs.*
17. 11. 92.

The Deputy Auditor.

Audit Department, Hobart, 6th December, 1892.

MEMO. for H. Hull, Esq., Stores Department.

Wiggins, Teape, & Co.'s Invoices—Mr. Hedley Button's Contract.

I REMEMBER Mr. Huxtable remarking that Messrs. Wiggins, Teape, & Co. were to pay all charges on goods consigned by them to Mr. Hedley Button. As the contract with Mr. Hedley Button allows all charges, will you please inform me by what authority the Colonial Storekeeper made the statement. Your reply will affect a memorandum prepared for the Auditor-General. Reply at once please.

J. W. ISRAEL, *Deputy Auditor.*

[Endorsement.]

MR. Hull called and informed me that he was not aware of any agreement by Wiggins, Teape, & Co. to pay charges, but Mr. Huxtable certainly stated that that firm were to pay charges on the goods supplied by them, and in adjustment of former accounts this advice was acted upon; charges were not allowed Mr. Button, and he accepted payment of accounts without that allowance. The figures supplied to the Hon. the Treasurer on 21st November would be affected by the disallowance of charges in the same way to the extent of showing that Mr. Button would have been paid £43 9s. 11d. more, instead of £19 4s. 10d. more, if payment were made on Agent-General's invoice instead of invoice passed through Customs—the £24 5s. 1d. charges included as part of Customs invoice in that case being disallowed.

J. W. ISRAEL.
7. 12. 92.

The Auditor-General.

Audit Department, Hobart, 8th December, 1892.

MEMO. for the Hon. the Treasurer.

Re Button's Tender.

REFERRING to my letter of 21st November, it will be noticed that the figures have been made up upon the conditions of the tender according to documentary evidence, which appears to allow charges to be included in the claims; but in respect to former payments of Mr. Button's claims on Wiggins, Teape, &

Co.'s accounts, the charges have been disallowed because the Colonial Storekeeper had explained verbally that this had been arranged with Mr. Button, and as the latter accepted payment in this way the Storekeeper seems to have been justified in disallowing the same. Therefore, if the latter arrangement be taken to be correct, Mr. Button would have been paid £43 9s. 11d. in excess, instead of £19 4s. 10d. as stated in the return forwarded with my letter.

W. LOVETT, *Auditor-General.*

The Hon. the Attorney-General.

FORWARDED in connection with the papers in this case recently sent on.

J. E. PACKER, *for Treasurer.*
9. 12. 92.

FORWARDED to the Solicitor-General.

F. STOPS.
9. 12. 92.

December 29th, 1892.

To MR. H. HULL, *Hobart Government Stores.*

DEAR SIR,

As requested, I now repeat what I gave previously in writing to Mr. Huxtable, regarding shipments of sundries per *Berean* and *Decapolis*, from Wiggins, Teape, and Co., London. These goods were all charged at a rate to cover all expenses out, including duty, wharfage, &c., but through W. T. and Co's. error the whole have been invoiced at the rate they had agreed to deliver for free at, consequently the duty and other expenses payable by me this end will be claimed by me from London. As there is no commission payable on this by the Government, the error will benefit rather than otherwise the Government to the extent of the duty (5% to 12½%) on all the expenses.

Yours, &c.

HEDLEY BUTTON.

Am anxious for cheque for above at earliest convenience.—HEDLEY BUTTON.

MEMO. from Collector of Customs to the Auditor-General.

9th January, 1893.

Mr. Hedley Button is anxious to have his *Berean* invoices returned to him, and which I forwarded to you in reference to some query relating to the importation of stationery, as you requested to see the invoices on which the goods were passed. I think it must have been in November last, or early in December.

JAMES BARNARD, *Collector of Customs.*

[Endorsement.]

THE Invoices have been referred to the Treasurer, who has not yet returned them to this Department.

W. LOVETT.
10. 1. 93.

The Collector of Customs, Launceston.

FORWARDED. Will the Inspector be good enough to see that these invoices are returned to Mr. Button.

JAMES BARNARD, *Collector of Customs.*
11. 1. 93.

The Inspector of Customs.

THESE invoices are, I believe, in the hands of the Hon. the Treasurer.

EDWARD BOYES, *Inspector.*
12. 1. 93.

The Hon. the Treasurer, Hobart.

Launceston, 26th January, 1893.

DEAR SIR,

I LEARN from the Stores Department that accounts of mine have been passed to the Treasury for payment, but "have been delayed pending a reply from me."

The goods have been delivered now over three months and no payment has been made, nor has there been any matter referred to me for a reply that has not been attended to.

As I have pressing engagements to meet through National Bank, Launceston, I have respectfully to request that such accounts be passed at once to my credit, leaving any "apparent discrepancy" to be adjusted at the final payment.

Yours faithfully,

HEDLEY BUTTON.

H. BUTTON, *Esq., Launceston.*

27th January, 1893.

SIR,

By direction of the Treasurer I am to acknowledge receipt of your letter of the 26th inst. relative to the payment to you of moneys arising under your connection with the Government for supplies through the Office of Stores. When you were last in town I understood you were going to furnish Mr. Henry with some explanation regarding the accuracy of certain invoices tendered by you in support of the claims put forward by you. It is this the Department is waiting for. Will you be so good as to give it your attention?

I have, &c.

J. E. PACKER, *Under Treasurer.*

Launceston, 28th January, 1893.

J. E. PACKER, *Esq., Treasury, Hobart.*

DEAR SIR,

If you will kindly let me know the exact cases you refer to in yours of 27th inst., I shall be only too glad to give matter my immediate attention.

Yours, &c.

H. BUTTON.

HEDLEY BUTTON, *Esq., Launceston.*

31st January, 1893.

SIR,

By direction of the Treasurer I am to acknowledge the receipt of your letter of the 28th instant *re* your contract for the supply of articles through the Office of Stores, and to ask you to be good enough to submit particulars of your unsatisfied claims against the Government.

I have, &c.

J. E. PACKER, *Under Treasurer.*J. E. PACKER, *Esq., Treasury, Hobart.*

1st February, 1893.

DEAR SIR,

Yours of the 31st instant just received. If you are not already aware of the fact, I would here point out that I have not had a hand in any accounts so far; they have been compiled by the Government, and I am in perfect ignorance now as to what exact lines have been paid for and what still remain to be paid. I simply know from totals that a considerable amount is still due, and as over four months has elapsed since delivery of goods, I beg that the remittance be forwarded at once.

Yours, &c.

HEDLEY BUTTON.

H. BUTTON, *Esq., Launceston.*

4th February, 1893.

SIR,

By direction of the Treasurer I am to acknowledge the receipt of your letter of the 1st instant relative to your claims against the Government, and, after noting what you say, I am to ask you to be good enough to furnish Mr. Henry with a statement of account to date, detailing particulars of your claim.

I have, &c.

J. E. PACKER, *Under Treasurer.*J. E. PACKER, *Esq., Treasury, Hobart.*

Launceston, 9th February, 1893.

DEAR SIR,

HEREWITH I have pleasure in supplying a statement of account to date, as requested in your favour of 4th instant—

	£	s.	d.
Goods in No. 2 schedule, portion delivered	821	0	0
Ditto No. 3 schedule, complete	824	5	6
Ditto No. 4 ditto, ditto	537	19	0
Ditto No. 5 ditto, ditto	3088	4	6
Ditto No. 6 ditto, ditto	1133	7	4
Ditto No. 7 ditto	311	5	0
	6716	1	4
Extras in 5 B. and 6 B.	143	10	0
	6859	11	4
Less cash on account	6433	17	2
	£425	14	2

Yours, &c.

HEDLEY BUTTON.

[Endorsement by the Treasurer to Button's letter of 9th February, 1893.]

This is insufficient. Let a detailed statement be furnished showing the dates and amounts of the several invoices on which Mr. Button claims, and also the credits in detail, with dates and amounts of payments already made.

JOHN HENRY.
10th Feb. 93.

H. BUTTON, *Esq.*, *Launceston*.

11th February, 1893.

SIR,

By direction of the Treasurer I am to acknowledge the receipt of your letter of the 9th inst., forwarding a statement of accounts as requested in letter from this office dated 4th inst., and to state that Mr. Henry regrets that this is insufficient. Will you be so good as to furnish a detailed statement showing the rates and amounts of the several invoices on which the claims are based, also the credits in detail with dates and amounts already paid.

I have, &c.

J. E. PACKER, *Under Treasurer*.

Examiner and Tasmanian Office, Launceston, 14th February, 1893.

J. E. PACKER, *Esq.*, *Under Treasurer, Hobart*.

DEAR SIR,

YOURS of the 11th inst. received. As I already pointed out, all documents have gone to the Stores Department, and there still remain. I have from time to time had cheques on account, but for such sums as has rendered it impossible for me to locate the amounts to any particular date, shipment, or schedule.

With the exception of 360 sheepskins, 500 large parchments, and 2500 small parchments, the whole contract has been executed and delivered.

Yours, &c.

HEDLEY BUTTON.

[Endorsement.]

MR. BUTTON will have duplicates of invoices, or failing these must have the amounts standing to Cr. of manufacturers or merchants in England from whom he purchased, and can from those accounts furnish the statement asked for. He will also have dates and amounts of cheques paid by the Government on account of this contract.

JOHN HENRY.
15th Feb. 1893.

16th February, 1893.

SIR,

By direction of the Treasurer I am to acknowledge the receipt of your further communication *re* Stationery contract, the contents of which have been duly noted. It is presumed you will have duplicates of Invoices, or failing these you will have the amounts standing to the credits of manufacturers or merchants in England from whom you purchased the goods, and can from those accounts furnish the statement needed. You will also have dates and amounts of cheques paid by the Government on account of this contract.

I have, &c.

J. E. PACKER, *Under Treasurer*.

HEDLEY BUTTON, *Esq.*,
175, *Patterson-street, Launceston*.

Account presented by Mr. Button, March, 1893.

Dr.

HEDLEY BUTTON, Launceston, in account with COLONIAL STOREKEEPER, Hobart.

Cr.

STORES DEPARTMENT.

				Corrections made by Audit Department.						Corrections made by Audit Department.	
				£	s. d.	£	s. d.	£	s. d.	£	s. d.
Goods supplied as per—											
No. 2 Schedule.....				1186	7 10	1222	6 6				
No. 3 ditto				824	5 6	595	4 2*				
						*Including 4300 Demy Envelopes, excess supply.					
No. 4 ditto				547	0 0	580	10 7				
No. 5 ditto				3115	17 10	3312	10 4				
No. 6 ditto				1175	7 6	1171	17 8				
No. 7 ditto				311	5 0	346	8 9				
Goods delivered in excess on—											
No. 4 Schedule :				£	s. d.						
24 Rolls Tracing Linen, 30 in. instead of 24 in. excess in value at 4/2				5	0 0						
No. 5 Schedule :											
8 $\frac{3}{4}$ Reams Colrd. D. Dy., at 3/6				2	0 9	1	8 6				
1 Ream Drab D. F. Cap., 35 lbs.				0	11 0	0	11 0				
No. 6 Schedule :											
11 $\frac{1}{2}$ C. S. Db. C. F. Cap, 30 lbs.											
Ruled F. Cap both sides, at 9/4				5	10 2						
No. 7 Schedule :											
2 Rms. 18 lbs. Blue F. Cap., at 7/10				0	15 8						
2 $\frac{3}{4}$ " " " at 7/1				0	19 6						
5 Rms. 120 lbs. " Brown, at 23/1				5	15 5						
8 $\frac{1}{2}$ Rms. 70 lbs. Brown, at 13/5				5	15 5						
2 Rms. Blotting Paper, at 13/3				1	6 6						
Balance, £362 13s. 10d.											
Charges on "Berean" shipment, Schedules 5A, 6A, & 7 .....				...		24	5 1				
				£7187	18 6	£7255	2 7				

				Corrections made by Audit Department.						Corrections made by Audit Department.	
				£	s. d.	£	s. d.	£	s. d.	£	s. d.
Cash paid in London .....				...			
Cash paid in Tasmania—											
March 8, 1892				38	6 0						
April 28 "				13	0 0						
July 12 "				60	8 4						
July 18 "				507	8 3						
Aug. 5 "				198	0 0						
Sept. 8 "				724	19 4						
Sept. 13 "				222	9 1						
Sept. 16 "				070	0 4						
Oct. 1 "				660	4 11						
Goods short delivered on No. 2 Schedule—											
120 Sheepskins, at 3/				18	0 0						
240 " at 2/3				27	0 0						
500 Parchments, at 4/5				110	8 4						
1500 " at 3/1 $\frac{1}{2}$				235	18 9						
Balance due .....				...			
120 Leather Skiver, purple and red, short delivered											
Cash paid in London omitted in figures £3638 17s. 11d. above, being balance of £195 17s. 8d. per "Decapolis" ..											
Ditto "Berean" account											
Balance											

25

(No. 84.)

MEMO. on examination of Mr. Hedley Button's account current, showing balance due £362 13s. 10d.

THE Balance Sheet attached hereto has been corrected by red ink figures to the amounts which appear to be those due to Mr. Button, and chargeable to him on account of omissions in statement. Allowance was not made in the account for Agent-General's advances on Wiggins, Teape, and Company's invoice per *Berean*, amount £204 3s. 8d., nor for the remainder of Wiggins, Teape, and Company's invoice per *Decapolis*, £195 17s. 8d., advanced in London, less £65 5s. 10d. deducted in account paid Mr. Button, £130 11s. 10d. Total, £334 15s. 6d.

The net amount apparently due to Mr. Button is £83 14s. 1d. as per balance sheet, and is accounted for as follows:—

	£	s.	d.
Schedule 2 A. Wiggins, Teape, and Company's Invoice per <i>Decapolis</i> , 25th May, 1892.			
72 Brown Calf Skins, Melbourne average prices	30	16	6
12 Rough " " "	4	19	9
200 Vellum Skins " " "	59	7	6
	95	3	9
Add 10 per cent. on English prices, £107 0s. 4d.	10	14	1
	105	17	10
Schedule 5 A. Wiggins, Teape, and Company's Invoice per <i>Decapolis</i> , 25th May, 1892.			
10 Reams Double Foolscap, Melbourne average	5	16	0
30 Reams C. L. Double Post, English price 26 at 17s. 6d.	22	15	0
4 at 15s. 9d.	3	3	0
Per <i>Berean</i> 25th July, 1892.			
40 Reams Bank Post, English price at 20s.	40	0	0
23 $\frac{1}{2}$ Reams Double Demy, Blue, English price at 3s. 6d.	4	3	8
44 $\frac{5}{8}$ " " Yellow " " "	7	14	10
1 " " Drab " " " 8s. 8d.	0	8	8
1 Ream Drab Double Foolscap	0	11	0
	84	12	2
Add 10% on English prices, £84 12s. 10d.	8	9	3
	£93	1	5
Schedule 5 B. Wiggins, Teape, & Co's. Invoice per <i>Berean</i> , 5th July, 1892.			
60 Dble. Demy Blue and Yellow Printing Paper, at fixed price, 6s. 6d. ...	19	10	0
Schedule 6 A. Wiggins, Teape, and Co's. Invoice per <i>Berean</i> , 5th July, 1892.			
11 $\frac{1}{2}$ Dble. Foolscap, Ruled, at English price, 8s. 3d.	4	17	4
8 Imp. Blue, Ruled " " 60s. 6d.	24	4	0
10 Super Royal, Blue, Ruled " " 45s. 6d.	22	15	0
	51	16	4
Add 10% on English price, £51 16s. 4d.	5	3	8
	£57	0	0
Schedule 6 B. Wiggins, Teape, and Co's. Invoice, per <i>Berean</i> , 5th July, 1892.			
150 Reams Dble. Foolscap Writing, at fixed price, 9s. 4d.	70	0	0
6 Impl. Blue Ruled " " " " £5.	30	0	0
	£100	0	0
Schedule 7. Wiggins, Teape, and Co's. Invoice per <i>Berean</i> , 5th July, 1892.			
52 Reams Foolscap, Blue, at English price, 5s. 8d.	14	14	8
21 $\frac{5}{8}$ " " " " " 5s. 1d.	0	14	0
Per <i>Decapolis</i> , May 25th, 1892.			
200 Sheets Demy, oiled	1	12	3
500 " Foolscap " at average prices }			
	17	0	11
Add 10% on English price, £17 3s. 8d.	1	14	4
	£18	15	3

Allow Charges on Goods per *Berean*, which are not at fixed prices, or are under average Melbourne prices:—

	£	s.	d.
Duty and Wharfage	12	3	1
Packing	3	16	1
Freight, &c.	7	19	10
Cartage	0	6	1
	£24	5	1

SUMMARY OF SCHEDULES, &c.

	£	s.	d.
Schedule 2A	105	17	10
" 5A	93	1	5
" 5B	19	10	0
" 6A	57	0	0
" 6B	100	0	0
" 7	18	15	3
	394	4	6
Charges.....	24	5	1
Total	418	9	7
Deduct Advances in England not formerly brought to account....	334	15	6
Net amount due	£83	14	1

In taking out the prices of goods per *Berean* those amounts were used which are shown on the Invoice passed through Launceston Customs Department, and which show a less range than the Invoice received through the Agent General, but the *Decapolis* prices have been made up as before from Agent-General's Invoice, as there was no other known Invoice to deal with. It is pointed out that two former accounts of Wiggins, Teape, & Co. have been paid on prices in Agent-General's Account, namely, Invoice April 9th, 1892, £581 8s. 6d., containing goods amounting to £235 2s. not at fixed prices, and May 25th, 1892, £195 17s. 8d., containing goods amounting to £141 1s., not at fixed prices. A letter received from the Storekeeper addressed to him by Mr. Button is attached, which implies that the Invoices received through the Agent-General from Messrs. Wiggins, Teape, & Co. include the charges on the prices there shown. If this is so, the 10 per cent. allowed on this firm's former two invoices would be charged on the charges as well as first cost of goods, but the amount cannot well be ascertained from papers in Storekeeper's possession or those in this Department.

The claim for £5 shown in the Balance Sheet attached for difference in price of 24 rolls of Tracing Linen supplied is known nothing of at the Stores Department.

W. LOVETT, Auditor-General.
30th March, 1893.

5th April, 1893.

SIR,
By direction of the Treasurer I am to address you on the subject of your claim against the Government, and request that you will be good enough to furnish Mr. Henry with a detailed statement showing how your claim for Stationery is made up, as it does not now agree with the Colonial Storekeeper's account, and that you will also state why the advance of £204 3s. 8d. made in London on account of the shipment per *Berean* is not shown to credit. Explanation is also required as to the sum of £130 11s. 10d., being balance of the advance of £195 17s. 8d., less £65 5s. 10d. made in London on account of shipment per *Decapolis*. It is noticed that no allowance is made for short delivery of 120 leather skins, value £11 8s. 9d.

Will you be good enough to give these matters your early attention, and amend same when furnishing fresh statement?

I have, &c.
J. E. PACKER, Under Treasurer.

HEDLEY BUTTON, Esq., 175, Patterson-street, Launceston.

Launceston, 15th April, 1893.

The Hon. the Treasurer, Hobart.

DEAR SIR,
AGREEABLY with yours of 5th April I have pleasure in enclosing details of goods supplied, with a statement in full up to date. *Berean* and *Decapolis* payments were not credited, as I was not aware such had been made.

I am, &c.
HEDLEY BUTTON.

[Endorsement.] To the Auditor-General for examination.—JOHN HENRY.
[Endorsement 2.] Mr. Hedley Button's Account.

Examined and returned. The various accounts now rendered by Mr. Button have been examined in detail and the true prices shown on English invoices have been inserted in red ink against each item of charge made by Mr. Button, and the summary on a ccount current has been likewise treated, the correct amount of each schedule being shown in red ink. Although this second account has been rendered in a different form the same result as before has been arrived at, namely £83 14s. 1d. due to Mr. Button. It is observed that the claim now made amounts to £595 9s. 10d. notwithstanding the fact that the first account balance amounted to only £362 13s. 10d., and from this there was to be deducted sums amounting to £346 4s. 3d. omitted to be credited, or a net balance £16 9s. 7d. Attention is drawn to the large difference in the charges on Schedule 3. Mr. Button has claimed upon a higher range of prices throughout, notwithstanding the fact that the invoice which he was paid upon in October last was supplied by himself and Customs duties paid thereon. Invoice herewith for perusal.

J. W. ISRAEL, *pro Auditor General.*
20. 4. 93.

The Hon. the Treasurer.

Account rendered by Mr. Button, April, 1893.

Mr. HEDLEY BUTTON, Launceston, in account with COLONIAL STOREKEEPER, Hobart.

Dr.

Cr.

	Correct Account as established by Audit Department.			Correct Account as established by Audit Department.		
	£	s.	d.	£	s.	d.
To Goods supplied as per—						
Schedule 2A.....	678	2	0	637	0	4
Ditto 2B (<i>Fixed prices</i>)	119	3	4	119	3	4
Ditto 3.....	828	0	9	552	3	11
Ditto 4 (<i>Fixed prices</i>)	579	0	0	580	10	7
Ditto 5A.....	2909	16	9	2862	18	11*
Ditto 5B (<i>Fixed prices</i>)	203	2	6	203	2	6
Ditto 6A.....	844	12	0	809	16	1*
Ditto 6B (<i>Fixed prices</i>)	296	15	0	293	0	0
Ditto 7.....	314	0	1	317	0	1*
Excesses supplied	29	1	5	<i>(Included in amounts above.)</i>		
Special Order	34	18	0	<i>(Not known in connection with this Account.)</i>		
Commission Account.....	534	10	2	453	5	11
* Add charges " <i>Berean</i> " Schedules 5A, 6A, 7, taken out separately..	...			24	5	1
	<u>£7371</u>	<u>2</u>	<u>0</u>	<u>£6852</u>	<u>6</u>	<u>9</u>
	£	s.	d.			
Balance due	595	9	10			

Launceston, 14th April, 1893.

E. & O. E.

	Correct Account as established by Audit Department.			Correct Account as established by Audit Department.		
	£	s.	d.	£	s.	d.
Cash paid in London	3638	17	11	3638	17	11
Cash paid in Tasmania—						
March 8th, 1892	£	s.	d.	38	6	0
April 28th, 1892	13	0	0			
July 12th, 1892	60	8	4			
July 18th, 1892	507	8	3			
August 5th, 1892.....	198	0	0			
September 8th, 1892..	724	19	4			
September 13th, 1892	222	9	1			
September 16th, 1892	370	3	4			
October 1st, 1892	660	4	11			
	2794	19	3	2794	19	3
Goods short delivered	6	19	6	<i>(Deducted in figures opposite.)</i>		
Cash paid in London as per your Advice, April 5th, 1893—						
" <i>Berean</i> "	£	s.	d.	204	3	8
" <i>Decapolis</i> "	130	11	10			
	334	15	6	334	15	6
Balance	595	9	10			
Balance* .....	...			53	14	1
	<u>£7371</u>	<u>2</u>	<u>0</u>	<u>£6852</u>	<u>6</u>	<u>9</u>

J. W. I.—20. 4. 93.

* Note.—£83 14s. 1d. subsequently reduced by £88 7s. 9d., bringing Mr. Button Dr. £4 13s. 8d.

See statements attached.

J. W. I.—15. 7. 93.

MR. HEDLEY BUTTON'S ACCOUNTS

DEDUCTIONS to be made from Mr. Button's Accounts—as the result of the inspection of English Invoices—per *Decapolis* and *Comadre*, produced by Mr. Button this day (Mr. Button present agreeing to result).

Messrs. Wiggins, Teape, and Co.'s Invoices.

No. of Contract Schedule.	Shipment.	Amount previously credited.	Amount as per Invoice now produced.	Difference to be deducted.	Commission also to be deducted.	Total deductions.
2A		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	<i>Decapolis</i>	95 3 9	86 7 0	8 16 9	2 1 4	10 18 1
	<i>Comadre</i>	36 19 9	29 14 11	7 4 10	0 15 5	8 0 3
Total to be deducted from Schedule 2A						18 18 4
5A						
	<i>Decapolis</i>	31 14 0	23 5 8	5 8 4	0 10 11	5 19 3
	<i>Comadre</i>	35 19 0	24 18 4	11 0 8	1 2 1	12 2 9
Total to be deducted from Schedule 5A						18 2 0
7						
	<i>Decapolis</i>	1 12 3	1 12 0	0 0 3	0 0 4	0 0 7
	<i>Comadre</i>	160 17 4	114 3 10	46 13 6	4 18 4	51 6 10
Total to be deducted from Schedule 7						51 7 5
Total deduction to be made						88 7 9

15th July, 1893.

J. W. ISRAEL.

Launceston, April 21st, 1893.

DEAR SIR,

IN reply to your favour of yesterday, I have to advise that the original invoice of Schedule 3 from Millington was handed by me to Customs, and I have not since had it. I think the agents in Hobart had word from Mr. Huxtable to let him have all documents after goods had been passed for.

Yours faithfully,

HEDLEY BUTTON.

J. PACKER, Esq., Under Treasurer, Hobart.

Treasury, Hobart, 22nd April, 1893.

HEDLEY BUTTON, Esq.

DEAR SIR,

WILL you be so good as to obtain a copy of the original invoice, either in the Colony or from London, if need be.

Yours truly,

J. E. PACKER, Under Treasurer.

SUMMARY of detailed Account received from Mr. Button.

London.

MR. HEDLEY BUTTON, Tasmania,

BOUGHT of MILLINGTON & SON.

	£	s.	d.	£	s.	d.
1892.						
• April 30. To shipment per <i>Harriet M^cGregor</i>	287	8	11			
May 14. Ditto	188	19	11			
	476	8	10			
„ 26. Charges	35	7	4			
				*511	16	2
Exchange at 4 per cent.....	...			21	6	6
Expenses .....	...			0	5	6
				<u>£533</u>	<u>8</u>	<u>2</u>

Bill at 60 d/s., £533 8s. 2d., per Bank of New South Wales.

	£	s.	d.
* The above amount	511	16	2
Includes an amount chargeable to Schedule 7.....	15	16	8
Net Total for Schedule 3	495	19	6
But this includes charges for Nos. 3 and 7.....	65	17	1
	430	2	5
Then the proportion of charges for No. 3.....	122	1	6
Total amount (less commission) payable on this account	<u>£552</u>	<u>3</u>	<u>11</u>

The 10 per cent. commission is payable on the amount £430 2s. 5d. (that is English cost without charges), but this commission is given credit for separately.

J. W. ISRAEL.
26. 4. 93.

27th April, 1893.

HEDLEY BUTTON, Esq., Launceston.

SIR,

By direction of the Treasurer I am to acknowledge receipt of Invoice yesterday without covering communication, amounting to £533 8s. 2d.

Mr. Henry will be glad if you will be so good as explain why you charge this particular Invoice in your general statement of account at £828 0s. 9d. when it only amounts to £533 8s. 2d., including exchange and expenses amounting to £21 12s. 0d., in respect of which latter items the Government is not liable.

I have, &c.

J. E. PACKER, Under Treasurer.

J. E. PACKER, Esq., Treasury, Hobart.

Launceston, April 28th.

DEAR SIR

IN reply to yours of 27th instant, I desire to state that the rates and amount arrived at are shown in detail and are from contract rates supplied me by Mr. Huxtable, and by these I am entitled to £828 0s. 9d. on Schedule 3. The original Invoice was supplied in this as in other cases in good faith and with the hope of facilitating payment of an account now of five months' standing. The item of £22 12s. 0d. was incurred in London through cash advance being withheld on this schedule and contrary to arrangement.

Yours, &c.

HEDLEY BUTTON:

[Endorsement]. Referred to the Auditor-General.

JOHN HENRY, May 3, 1893.

[Endorsement 2.] An original invoice of Millington and Sons upon which the claim under schedule 3 is based is now in this Department. It appears from office stamp thereon to have been received at the Office of Stores on 27th September, 1892, and an account was prepared for the Treasury at the prices shown in the Invoice and passed this office on 29th September, 1892. It was paid by the Treasury on 17th October, 1892, but the amount is £552 3s. 11d., not £828 0s. 9d., the amount mentioned by Mr. Button. [The total of vouchers altogether is £595 4s. 2d. but this includes £43 0s. 3d. commission which is not now in question]. There is an indorsement on the English invoice above referred to as follows:—"Invoice received by Mr. Button direct, not passed through Agent-General." This was made in this Office on 6th December, 1892. This invoice bears the Customs stamp.

W. LOVETT, Auditor-General.
4th May, 1893.

The Hon. the Treasurer.

5th May, 1893.

HEDLEY BUTTON, *Esq.*, *Launceston*.

SIR,

IN reply to your Memorandum of the 28th ultimo Mr. Henry directs me to say that the rates you charge in detailed account of £828 0s. 9d. are not those provided for under contract, and that you had previously rendered an account for the same goods amounting to £552 3s. 11d., and received payment for same.

Your statement has other errors to which Mr. Henry did not refer before clearing up the amount now under notice. It will be well that you bring down all your invoices and books of account, when Mr. Henry shall be prepared to go into the matter with you on the spot.

I have, &c.

J. E. PACKER, *Under Treasurer*.

10th May, 1893.

J. E. PACKER, *Esq.*, *Hobart*.

DEAR SIR,

IN reply to yours of the 5th instant, you have evidently been misinformed as to my having previously sent in invoices at lower rates than shown on my general statement of accounts.

A few of my invoices I sent in, but Mr. Huxtable explained they were not rendered in a way that the Auditor would understand, hence he (Mr. Huxtable) would prefer to make out the accounts himself, and I could credit various amounts he authorised on account, and have differences arranged at a final settlement.

I have been at much expense up to the present, and can ill afford time or money for the personal visit to Hobart which you propose.

I feel sure all to make my claim clear can easily be arranged by correspondence in a very short time.

I am, yours faithfully,

HEDLEY BUTTON.

13th May, 1893.

SIR,

By direction of the Treasurer I am to acknowledge the receipt of your letter of the 10th instant, which has been laid before Mr. Henry, and forward you a detailed copy of Treasury Voucher No. 1126 bearing your own signature. With such a document before him Mr. Henry cannot understand how you can think that he has been misinformed. It is noted that you decline to act on a suggestion to visit Hobart; the proposal was made in your own interest, and not for any other purpose. Delay in settlement has arisen through your own inaccuracies. When you furnish a correct statement of your claim any balance that may be found due to you will be paid immediately.

I have, &c.

J. E. PACKER, *Under Treasurer*.HEDLEY BUTTON, *Esq.*, *Launceston*.

17th May, 1893.

DEAR SIR,

IN reply to your favour of the 13th instant, I would point out that voucher 1126 was prepared by and forwarded to me from Mr. Huxtable's office simply for me to sign and return, and he said it was necessary for me so to do to carry on and receive payments, as named in my last.

Your suggestion for me to visit Hobart cannot be acted upon at once, as matters now in hand here will likely detain me for some days, but I shall be glad to go into the matter with Mr. Henry at an early date.

Yours, &c.

HEDLEY BUTTON.

J. E. PACKER, *Esq.*, *Hobart*.

Launceston, 8th June, 1893.

JOHN HENRY, *Esq.*, *Hobart*.

DEAR SIR,

SINCE our conversation of a few days ago I have gone over accounts referred to in connection with Stationery contract, and now hasten to advise you that with regard to *Berean* shipment your statement is perfectly correct, and though the amount passed is not the highest it is the correct London cost, whilst the high one is at a rate which includes duty and all other expenses. I hope to be in Hobart in a few days and place before you such information as I trust will remove any prejudicial impression you may have received.

I may add that I feel so deeply the unpleasant position in which I have been placed that I have written to the colonial representative of the firm in question that he may be in attendance at an early date.

Yours faithfully,

HEDLEY BUTTON.

7th July, 1893.

MEMO. from Wiggins, Teape, & Co., Sydney.

I VERY much regret I have been unable to leave Sydney, and cannot, I am afraid, get away until Mr. Turn's return, which I hope will be in about three weeks from now. I will write you as soon as I can make definite arrangements. With kind regards,

Yours truly,

H. W. MIDDOWS.

HEDLEY BUTTON, Esq.

11th July, 1893.

JOHN HENRY, Esq., Hobart.

DEAR SIR,

I HAVE just had a line from Mr. Middows (Messrs. Wiggins & Teape's Colonial Representative), which I now enclose. My delay in visiting Hobart has simply been to let W., T., & Co. explain, but if you can spare the time this week I will come down by Express on Wednesday (the 12th), as already much time has elapsed.

Shall be glad if you would kindly wire me in event of delay being necessary.

Yours faithfully,

HEDLEY BUTTON.

TELEGRAM.

12th July, 1893.

H. BUTTON, Esq., Launceston.

SHALL be ready to meet you to-morrow if you could come by Express to-day.

JOHN HENRY.

MEMO. for Mr. Coombs.

Office of Stores, Hobart, 17th July, 1893.

WILL Mr. Coombs be good enough to report to me on the quality of the articles received from Mr. Hedley Button in connection with his Contract for 1893 in comparison with those of Contract for 1892 and previous English Contracts. This refers specially to the articles set forth in Schedules 3, 4, and 7.

HUGH HULL, Acting Storekeeper.

[Endorsement.]

Re Contracts for Stationery. Envelopes supplied by Mr. Button are of a superior quality to those supplied by Messrs. Cowan & Sons, and nearly equal to those supplied by Messrs. Waterlow & Sons. General Stationery equal to that supplied by Messrs. Waterlow & Sons, and superior to that supplied by Messrs. Walch & Sons, with the exception of the paper (printer's paper), samples of which were weighed and are of average weight.

C. COOMBS, Storeman.

Office of Stores, 18th July, 1893.

SIR,

I HAVE to report that Mr. Hedley Button called upon me on Saturday, stating that you wished for an expression of opinion from me as to the quality of the various articles comprised in his contract in comparison with Melbourne and English supplies, and which I now furnish.

Schedules 3, 4, and 7 represent articles of general issue, and are in some instances superior to Melbourne contracts and quite equal to English supplies.

Schedules 2, 5 and 6 represent entirely Government Printer papers and sundries, but owing to the very large stock on hand of 1891 supplies have only recently been opened up; but the Government Printer reports that, with the exception of binder's purple cloth, the articles are quite equal to what has been supplied from other sources.

I may state that every article was closely examined with schedules and found satisfactory, the various printing papers weighed, and small stores compared with samples.

A statement is attached showing a few of the principal items in their relative positions to other contracts as far as value is concerned.

In regard to the payment of accounts, each one as it came forward was thoroughly checked by the Audit Department and located to its correct heading, either at "Fixed," "Average," or "Invoice" rates prior to transmission to Treasury for payment.

I have, &c.

HUGH HULL, Acting Storekeeper.

The Hon. the Treasurer.

SCHEDULE 3.

Envelopes, Foolscap.			Envelopes, Letter.		
English.	Melbourne.	Mr. Button.	English.	Melbourne.	Mr. Button.
14/2	7/3	8/2	8/4	4/6	5/-

SCHEDULE 5.

Paper, D. F. Blue, Printing.			Paper, D. F. White, Printing.		
English.	Melbourne.	Mr. Button.	English.	Melbourne.	Mr. Button.
13/2 rm.	9/3 rm.	9/8 rm.	8/6 rm.	6/2½ rm.	7/1½ rm.

Paper, Double Demy, White, Printing.		
English.	Melbourne.	Mr. Button.
14/2 rm.	10/4¾ rm.	12/- rm.

SCHEDULE 6.

Paper D. F. Ruled.

English.	Melbourne.	Mr. Button.
14/6 rm.	7/4¾ rm.	8/5¾ rm.

SCHEDULE 7.

Paper, Blotting, White.			Paper, Brown, Large.		
English.	Melbourne.	Mr. Button.	English.	Melbourne.	Mr. Button.
15/5 rm.	13/2 rm.	14/- rm.	27/4 rm.	26/9 rm.	25/4 rm.

The Storekeeper will make up a full statement showing in detail the various lines of stationery supplied by Mr. Button which are of superior quality to that supplied by Melbourne tenders, and the difference in value expressed in total as well as in detail.

JOHN HENRY.
19. 7. 93.

Forwarding statements showing articles selected from various Schedules for which Mr. Button appears to have paid higher prices than necessary, owing to his not being possessed of the information as to the extent and limit of his buying powers in comparison with Melbourne tenders. The Acting Storekeeper regrets that he is unable to furnish the information required as to the superiority of quality of papers compared with those supplied by Melbourne firms, owing to the fact that to do so would require the services of a qualified expert, which the Acting Storekeeper is not. The Government Printer, whose articles of stationery are largely represented in the returns, also states that he is not in a position to judge of the respective qualities of Mr. Button's papers in comparison with those of Melbourne contractors.

HUGH HULL, *Acting Storekeeper*.
22. 7. 93.

The Hon. the Treasurer.