

each of the above sections of railway": can you supply that information?—No; I can supply part of it, which passed through imprest.

172. It is largely an accountant's matter?—Yes; to be gathered from the books, and traced in the imprest accounts.

173. Then, I take it you cannot supply the information the Commission want under this head?—No.

174. Perhaps it might be of some help to see what is a fair percentage to allow on a contract for the expenses of the engineering staff: do you know what is understood to be sufficient to cover the costs and expenses of all the civil engineering work in connection with the railway?—Excluding surveys, which are variable things, 5 per cent.

175. Now, what is included in the work done for that 5 per cent.?—All the engineering work and supervision. All the work required of an engineering character—administration, specifications, plans, details, the checking of setting out and of work, also the general control of operations, &c. It does not necessarily include land-purchase and compensation.

176. That, you say, would be all included in the 5 per cent.?—Yes.

177. Now, would inspectors' salaries be properly included in that 5 per cent., or would they be carried to the cost of construction?—In a great many cases the inspectors' salaries are carried to the cost of construction.

178. *The Chairman.*] Which inspectors does that refer to?—I mean inspectors of work in progress—inspectors of piling and brickwork, &c.

179. Are they not included in the general supervision?—Not always.

180. *Dr. Findlay.*] For instance, in matters of architecture you pay your architect 5 per cent., and then have to pay a clerk of works, and so forth?—Yes; and in a large building you may have several of them.

181. Were you paid by Mr. Wilson out of salary he obtained?—I was paid by him, but my salary was allocated frequently under different heads. These allocations were sent forward to the Christchurch office and there dealt with. This applies to all the staff.

182. A large sum appears to have been paid to Mr. Wilson for engineering fees: do you know whether he in turn paid away a large portion of that money to officers under him?—Yes; most of these salaries and expenses were paid by cheque from his private account.

183. Most of what salaries?—Those of the engineering staff.

184. Out of the fees he received from the company?—Yes; he also paid the inspectors, and he paid Mr. Napier Bell.

185. So that you are not able to say, I suppose, what sum he actually paid away to the staff, and what sum he retained out of the total appearing as paid to him for his own services?—No, I cannot say. The information largely passed through my hands in detail, but I never saw it focussed in accounts.

186. There was, I suppose, an efficient inspecting and engineering staff on the Midland Railway while under construction?—Yes.

187. Which, so far as you know, was wholly paid by Mr. Wilson?—Yes.

188. *The Chairman.*] I wish to know whether Mr. Wilson, with 5 per cent. on the cost of construction, should have paid the whole of the engineering staff, including inspectors?—Of course, there is consideration for himself to be provided.

189. The point is whether with that 5 per cent. he should have paid the inspectors, or whether they should have been additional to the 5 per cent.?—If the inspectors were paid out of construction, then the 5 per cent. would pay very well. The larger and simpler the operations the less the percentage of cost.

190. What I wish to get your opinion on is this: Do you think that 5 per cent. on the cost of construction of the sections on the Midland Railway, finished or partially finished by the company, should have paid the whole of the staff, including the making of plans and specifications, the letting of contracts, and the cost of inspectors?—I am rather doubtful about the inclusion of inspectors, and, as I explained, I have not seen the whole of the charges. If I had seen the whole of the accounts and the whole of the ledger charges, then I should be better able to form an idea.

191. You have told us already that all the surveys went through your hands?—Yes, all the surveys; but I meant the office charges. I do not know the total of the charges paid by Mr. Wilson.

192. I wish your opinion on works generally and on this case in particular, whether 5 per cent. on the cost of construction should not have paid the whole engineering staff employed by the Midland Railway Company?—I think it should, including inspection, but not including surveys as charged. In many cases inspection itself costs more than 5 per cent. on the cost of works executed.

193. *Dr. Findlay.*] Now I propose to deal with what might properly enter into the cost of construction: you would begin with surveys, I take it?—Preliminary and permanent surveys.

194. Under preliminary surveys what is included?—The obtaining of all existing information, maps, and so forth; the general exploration of routes; the preliminary surveys made to ascertain the best route; and then, lastly, there is the actual staking-out of the selected line: together with any deviations and revisions made in course of construction.

195. Then, the second head?—The second refers to the necessary land for putting the railway on—the purchase of that land, and compensation for damages to properties interfered with by the works.

196. Thirdly?—The actual cost of constructing the railway, including all labour and materials.

197. Fourthly?—There is the supervision, inspection, and administration.