

of 10 per cent. on cost. The Broadcasting Co. paid this profit to Harris and Co., and I can see no reason why, in ascertaining the actual cost to the company of its various plants, this payment should be disregarded. In calculating these percentages of 10 per cent. and 11 per cent. duty was excluded.

Upon the above basis the cost to the company of 1YA transmitting equipment (excluding towers, &c.), was—

	£	s.	d.
Cost by makers, including primage duty and landing-charges	3,185	18	2
Harris and Co.'s overhead at 11 per cent.	350	9	0
	3,536	7	2
Add Harris and Co.'s profit at 10 per cent.	353	12	9
	3,889	19	11
Add net duty	294	4	0
	£4,184	3	11
	£	s.	d.
The erection costs, including expenses of maker's expert, were	651	13	2
To which was added Harris and Co.'s overhead at 11 per cent.	71	13	8
	723	6	10
To which was added Harris and Co.'s profit at 10 per cent.	72	6	8
	£795	13	6

The total cost of installing the transmitting equipment at the Auckland station actually paid by the company was therefore £4,979 17s. 5d. The Christchurch transmitting equipment erected cost £4,678 14s. 3d. The precise figures for Dunedin were not given, and Mr. Bingham, who previously to this had been on the staff of Harris and Co., had joined the broadcasting staff, and it was he who supervised the erection of the Dunedin plant. Precise details of the cost were not kept as was the case when Harris and Co. carried out the work. The cost of the equipment itself was the same as the two other equipments, but details of erection costs were not kept. I can, therefore, do no more than estimate the cost of erection at Dunedin, and it may be taken that Harris and Co.'s supervision charge totalling £89 10s. 1d. would be saved. I shall, therefore, assume that erection cost in Dunedin was the same as Christchurch after deducting Harris and Co.'s fees. This makes the cost of erecting the transmitting-plant at Dunedin, £4,589 4s. 3d. The total cost for the three stations is therefore :—

	£	s.	d.
Auckland	4,979	17	5
Christchurch	4,678	14	3
Dunedin	4,589	4	3
	£14,247	15	11

Deducting from the above amount depreciation at 25 per cent., and allowing appreciation at $2\frac{1}{2}$ per cent.—a net deduction of $22\frac{1}{2}$ per cent.—makes the total depreciation to be deducted from the cost of the three smaller stations the sum of £3,205 11s. 6d.

I therefore award that the price of the transmitting-plant at the Auckland, Christchurch, and Dunedin stations (towers, &c., excluded) is the sum of £11,042 4s. 11d.

There is at each of the company's stations a further equipment over and above the equipment above mentioned with which I shall deal later.

Applying the same process to the transmitting equipment (towers excluded) at the Wellington station the result is as follows: For this station Harris and Co., by reason of the magnitude of the transaction, charged the company in respect of the purchase of the plant only 5 per cent.

The cost of equipping 2YA was :—

	£	s.	d.
Cost of equipment	13,552	0	0
Plus Harris and Co.'s charges at 5 per cent.	677	12	0
	£14,229	12	0
	£	s.	d.
The cost of assembling and erection, including Harris and Co.'s overhead at 11 per cent was	1,372	13	9
To which was added Harris and Co.'s profit paid by the company at 10 per cent.	137	5	4
	1,509	19	1
Making a total cost of equipping	15,739	11	1
Deduct from the above, depreciation at $22\frac{1}{2}$ per cent. and allow appreciation at $2\frac{1}{2}$ per cent., a net deduction of 20 per cent.	3,147	18	3
	£12,591	12	10