and that stores should be issued by the respective Storekeepers at price-list rates. Timber to be taken on at local rates, with an amount added for handling. Coal to be issued at local rates delivered into Store, the cost of handling to be debited directly to each department of the railway. The price lists to show as nearly as possible the cost of articles delivered into Store, plus the cost of working the Store.

107. The half-yearly returns of balance in ledger rendered to the Inspector of Stores Audit should contain a column showing the actual stock on hand, which should be priced out and valued in Wellington. Returns of ledger balances.

108. A ledger account of values of receipts and issues should be kept at Wellington against each Store, compiled from the local Store Ledger forms sent to the Store Audit and from the local purchase vouchers, and at the end of each half-year the account should be balanced, crediting it with the value of stock in hand at the current rates, and debiting it with the balance of stock in hand from the preceding half-year; and the line should be debited or credited with any amounts arising from error or loss or waste which is thus ascertained to have arisen in the local Store.

109. That a General Ledger Account be kept at Wellington against all Stores, showing the total values of all goods received into Store, and all charges of every kind, and the balances of stores in hand from the last half-year's stock-taking, on the debit side, and on the credit side the values of all issues and the value of stock in hand at the end of the current half-year, computed at the current rates; and that the ledger be balanced half-yearly, and that any discrepancy then appearing be debited or credited to the various lines, as the case may require, proportionately to the values of the issues. General Store ledger.

110. It is also considered to be essential that Store buildings should be immediately erected at Dunedin and Invercargill, Class A at Dunedin, and a building equal to Class B at Invercargill, as great inconvenience and loss now occur at these places through want of proper accommodation. Store buildings.

Workshops.

111. The adoption of the system at work on the Northern lines, which provides for the Workshops Account being kept separate from the General Maintenance Account, is recommended, with the following modifications and additions:— Present Northern system.

112. The workshop should deliver to any Store or Government department, but each delivery should be accompanied by a voucher showing the cost of the goods so delivered, inclusive of the commission defined below. Delivery voucher.

113. The amount of commission to be included in the Workshop Accounts, showing the cost of each job done, should not for the present exceed 15 per cent. on the cost of the stores delivered to the shops used and of the labour expended on the job; such commission to cover cost of foremen, patterns, waste, loss, wear and tear of machinery and tools, running machinery, and general charges, and to be modified as experience may show to be necessary. Commission.

114. A ledger account against each workshop should be kept at Wellington, to be balanced every three months; the charges against the shops and stock on hand at the date of commencing the account to be entered on the debit side, and on the credit side the values of all work done plus the commissions and of the stock on hand, so that the several lines and other departments of the Government may be debited or credited proportionately to the values of the issues with any profit or loss which has accrued and which is thus ascertained. General workshop ledger.

Working Expenses.

115. On the Northern lines, the whole current expenditure of working the several railways is paid by moneys issued on imprest to the Manager on his requisition, and for which he accounts in the usual way. The same system will have to be adopted throughout. Imprests.

116. Wages on the Southern lines are paid monthly; on the Northern, four-weekly. The latter is most convenient, as fitting in with the weekly system, which is the rule of all Government Accounts. This alteration will therefore have to be made on the Southern lines. Four-weekly paymetns.