

7. What was the unsuccessful tender of Briscoe and Co. for English cement; was it not at the rate of 4s?—I cannot tell you.

8. Did not the officers of the department know that Briscoe and MacNeil refused to supply it except at another rate?—I do not know.

9. Is it not a fact that the New Zealand Portland cement supplied by the present contractor has been found unsatisfactory?—No.

10. Who was the officer that purchased English cement?—I do not know who the officer was in this case; I did not purchase it.

11. *Mr. G. Hutchison.*] What kind of work is it used for?—They have found the New Zealand cement unsuitable in exposed positions; in sea-water I have had occasion to find it so.

12. Was not that in the early stages of its manufacture, but is not the case now?—This is a recent matter.

13. What do you mean by a recent matter?—Within the last six weeks.

14. *Mr. T. Mackenzie.*] You say you used it within the last six weeks, and found it unsuitable?—Yes.

15. *Mr. Menteath.*] You were referring to the vouchers you have handed in to the Committee?—Yes.

16. Not to the whole of the vouchers in this inquiry. Have you made a calculation of overcharges from first to last in this inquiry?—No.

17. Would it surprise you that the exhibits show overcharges to the amount of £53 on a value of £522, the figures being as follows: Vouchers, £575 9s. 8d., and allowed £522 2s. 6d.?—Does that mean that £522 represents the total of the vouchers on which corrections have been made, or the total transactions during the period?

18. It is the total of the vouchers put in here, and the figures that have been allowed by the department, without counting errors that have not been checked by the department: the total amount of vouchers put in by yourself, by Mr. Blow, and Mr. Ibbetson, amounting to £575 9s. 8d., and the total amount allowed, £522 2s. 6d., making a discrepancy of £52 odd?—I am not surprised at a discrepancy of £52. As to the amount of the vouchers, I am not able to form an opinion.

19. You have told us that the average amount of goods under contract amounted to £6,000 a year?—Yes.

20. Would that be the amount of goods supplied in Wellington for the service in Wellington alone?—In Wellington.

21. Do you know what proportion of that would go to the Railway Department?—I should say about £4,000.

23. Now, we have had no vouchers produced from the Railway Department, so far as this inquiry is concerned?—No.

24. Therefore, all the vouchers that have been produced relate not to £6,000, but to £2,000, or one-third of the total: that is, all that have been checked; that is, all that has been in question?—Yes.

25. Therefore, if we entertained the impression that the errors discovered were in the total turnover of £6,000, that would be an erroneous impression?—I do not know the total of errors upon the whole contract; but where vouchers are correct, there is no reason why the department should not be given credit for those items that are correct, in considering the percentage of error.

26. Is there not a different system of check in the Railway Department?—Yes; there is, to a certain extent, but the cases are not at all parallel. The stores obtained for the Public Works are of a different class from the stores that are obtained for the Railway Department. The stores obtained for the Public Works Department are, for the most part, building material; the stores obtained for the Railway Department consists very largely of heavy iron material, which must be weighed.

27. Which must be weighed?—Absolutely; 50 per cent. of their contract is probably invested in bar-iron, plate-iron, bolts, or weights of one sort or other.

28. Has inquiry been directed to the vouchers put in by Briscoe and MacNeil to the Railway Department; have they been examined?—Not so far as I know.

29. Therefore, the only examination made for the purposes of this inquiry was the examination for goods supplied to the Public Works Department and others outside the requirements for which vouchers are sent in through the Public Works Department?—I do not know; there may have been examinations, but I do not know of any. There is evidently a point beyond which any system of check ceases to be remunerative. The Railways have a staff set apart for this; there are four men who are employed for this duty; if you will reckon up their wages you will find it is a fair percentage on the amount of the contract.

30. They are wholly employed in checking and distributing stores?—That is their business: they receive, check, and distribute the stores that come in.

31. Do they distribute also?—Yes.

32. You say there have been errors in other contracts?—Yes; there have been errors in other contracts.

33. To the same extent?—As regards the number of errors, there have been errors in one contract to a larger extent than in Briscoe and MacNeil's. I am referring to Stewart and Company's contract; that was a contract for painters' requisites in 1894. I am speaking simply of the number of alterations; but judging from the number of alterations is not a fair way to look at it. The alteration in Stewart's vouchers were almost entirely alterations in respect to prices on which the department had a standing dispute with Stewart and Company. They used to send in these prices month after month, and as regularly as they came they were crossed out on our part. Of course, that altered the amount very materially.

34. The alterations there were not of the same character?—The nature of many of the errors in Briscoe's contract more than discounted any advantage due to a lesser number.