

have seen clearly, or should have done, that the property-tax is not receiving what it ought to do out of many estates, and certainly not out of this man's estate. You see the Government of the country is being done out of a large amount of direct taxes?—I should be placed in a most unfortunate position, because if I am to act as spy on those who apply to me in all confidence for a loan I should never go on. The position would be so unbearable it could never be tolerated.

69. Then, are we to understand that here you have got to hold your tongue, while you know that the country is being wronged. You become aware of it as a public officer, and you are to sanction it and approve it by holding your tongue?—Perfectly true, but I do not see a remedy for it.

70. Then this case came under our notice. I do not know whether there are any more similar?—Lots of them. There is scarcely a case in which the property-tax is equal to or higher than private valuation.

71. Now, here is a lunatic's estate, Heyward's. You have to wind it up. You make your charges—expenses account, commission £9 8s. 3d., postages 4s. 9d. That leaves a balance of £1 5s. Three months pass away, and it is mopped up by you in a *charge for postages*. Heavy postages, certainly, for a poor lunatic's letters?—Mr. Mogenie can explain that.

Mr. MOGINIE recalled.

72. *The Chairman.*] In the estate of Arthur Heyward, a lunatic, you appear on the 30th September, 1883, to have made your entries for commission £9 8s. 3d.; postages, 4s. 9d. I have no doubt that included all the postages up to that date. That left a balance of £1 5s. Three months afterwards you square that balance by appropriating it altogether for postages. Now, in a lunatic's estate in three months £1 5s. is a pretty large item for postages. It could not have been for postage?—That is not my entry, nor was it done by my instructions.

73. Yet you are responsible for the correct keeping of these books, are you not?—Yes.

74. Well, here is another case, that of Arthur Herbert, a lunatic. There is a balance standing of £2 0s. 2d. That appears to have been appropriated, without giving any particular analysis of the £2, for commission and postages. It does not say at what rate or anything else. Is not that irregular?—The office commission sheets would show that. The gentleman who made the entries, Mr. Ronaldson, can explain it.

Mr. RONALDSON examined.

75. *The Chairman.*] Mr. Ronaldson, here is an entry in the case of Arthur Heyward, a lunatic. The office appears to have made its charges on the 30th September, 1883—commission, £9 8s. 3d.; postages, 4s. 9d., and no doubt that was all the postages up to that date. That left a balance of £1 5s. Three months afterwards, with no other transactions, this balance appears to have been appropriated by the office under the charge of postages?—Very often we keep a reserve. We post letters, &c., Home.

76. That is a big charge in a lunatic's estate, £1 5s. for postages?—There may have been letters; perhaps a family Bible, watch, and jewellery.

77. Is it not usual in posting this column for expenditure to put the particulars in as carefully as in an invoice? This is an easy way of appropriating a balance of £1 5s. Whether done by instructions I do not know, but I notice in several small estates that these balances are simply appropriated?—We generally confiscate small balances like 10s. There may have been special reasons in this case for appropriating the £1 5s.

78. Here is another case close to it, Albert Herbert, in which commission and postage are entered, without stating the rate of commission or anything else?—[No answer.]

79. Would it not be better to have a separate account under the heading of Unclaimed or undisposed balances of lunatics' or any other estates, and transfer such small balances to that separate account?—They might go into Suspense Account for the matter of that.

80. When you make a debit entry to an account in your ledgers for postages, you credit it to Expense Account?—Yes.

Mr. MOGINIE recalled.

81. *The Chairman.*] Here is an entry I cannot understand. That £3 7s. appears a credit, but the account seems closed, and how do you get it out? The balance is never carried out?—We paid over to the Treasury to Public Account £158 14s. 4d., after which a claim came in for a bill of costs, and we had to recover that amount from the Treasury.

82. And did you recover it?—Yes.

83. Are you still getting ledgers printed with columns in this form?—Yes, all through.

84. Do you not think that you ought to alter it; for I do not suppose that you would see such a state of things in any other office in the world, and there is no reason why this office should be different from any well-regulated office. If you are the Accountant in charge of the books, why do you not alter the form of your ledgers?—I was told I had to carry on the same system. I remarked on it at the time, but had not power to alter it.

85. Did you ever suggest that the system ought to be altered?—I spoke about it. I do not know whether I suggested it should be altered.

FRIDAY, 20TH MARCH, 1891.

Mr. MOGINIE recalled.

86. *The Chairman.*] I fear there is a sort of feeling among your staff that the Commissioners are here to upset everything and to create ructions. I wish you would make it known to the officers of the department that the Commissioners are here for nothing of the kind. But they are here to make a careful investigation, and to find, if possible, a method of improving the condition of the Public Trust Office and of its staff. Therefore do not let your staff suppose that our object