

sonally have adopted no mode. I found a system of accounts in vogue when I was appointed to the office. That method, I believe, was settled upon after due deliberation by the late Public Trustee, who was himself a very good accountant, and the Controller-General. I accepted that method without question. I applied for and obtained the appointment of a clerk in the Treasury, who was very highly spoken of, and who was appointed Accountant in the office. The Audit Department have, of course, daily supervised the entries in the financial part of the office, but personally I have relied entirely on the Audit Department and the Accountant.

343. Then, had it not been necessary for the Audit Department to have overlooked your accounts and book-keeping, would you have paid more attention to the working of these accounts in the office?—Entirely so, because the responsibility would have been then on me. It is, as a matter of law, on me at present; but, seeing that the Audit officer is in the office half the day, I have a right, as I submit, to rely very largely on the Audit Department.

344. But, supposing, with your multifarious and onerous duties in your own office, outside the Accountant's office, you should not have had time to give that attention to the book-keeping part of the office, what steps would you have taken?—I must have had skilled assistance, because it would have been absolutely impossible for any one himself to have managed the two branches.

345. Now, is it not a fact, Mr. Hamerton, that you from the very first have relied entirely on your book-keeping staff and your Accountant in respect of that portion of the Public Trust Office?—Yes, it is—assisted by the Audit Department.

346. Then, did it never occur to you to look into the practical working of the Accountant's and book-keeping department?—It did not, because I must admit that the Accountant knows much more about book-keeping than I do; and from his training, from his service of very many years, always about accounts, it was natural to suppose he must know much more than I did about books.

347. Then, if the Accountant has used any unnecessary books—in fact, has practised a system of over-book-keeping—you would not, under those circumstances, have been in a position likely to detect it?—No; I do not think so.

348. So that really it rested with the Accountant to follow the bent of his imagination and to pursue any system or style of book-keeping which he led you to believe was the most convenient for working the whole business of the office?—That is so.

349. I notice in your style of book-keeping—and I think it is by the requirements of the law—that you have one account called “Expenses Account.” To that account all your profits go, and all the expenses of the office are charged against it?—Yes.

350. Is it not usual in an expenses or expenditure account of any office that charges alone should go to that account—that it should contain no credit balance unless they were actual refunds that had between balance and balance been charged to that account?—I do not know that I thoroughly understand the question. The Public Trust Office Expenses Account is a statutory account.

351. Is it not usual in all firms' expenses, or expenditure account, as it is sometimes termed, to confine the entries in that account to debit charges only as to the salaries, working expenses of the office, law charges, expenses of fuel, gas, and so forth?—I believe that is so.

352. Well, looking at the way you keep your Expenses Account, how do you show your actual charges of the office for the year?—You cannot do it without great difficulty.

353. And it is never done?—It is not done.

354. So that your balance-sheet is not a true statement of the working-expenses of the office?—It is a true statement, but it contains other items.

355. Does it not contain a number of credit items?—Yes.

356. Supposing your Expenses Account was confined to debit charges—that, instead of putting credits, in the shape of commissions, and interest, and profits received by your office, to the credit of that account, you put those to separate accounts; and supposing they were in one part of your ledger, and you had your Expenses Account in another part of the ledger, containing actual charges, exclusive of salaries, of the working of the office, then would it not be more desirable to have a system showing exactly these debit charges? Looking at the whole credits of this office that go in the end to the credit of Expenses Account, it is impossible under the present mode, unless you take the trouble of picking out the many items of charges, to show the true expenses of the office for the period between balance and balance?—That is so.

357. Have you ever represented to the Colonial Treasurer at any time the increase of work in this office, consequent on the increase of business?—Yes.

358. Have you ever made any recommendation as to altering the present mode of keeping the accounts, so far even as I have just referred to?—No.

359. Or any alteration in the arrangements of the office to facilitate the better working of the Public Trust Office?—Oh, yes! I have made recommendations upon matters unconnected with the accounts, but have not made recommendations connected with the accounts.

360. What were those recommendations?—Some time ago I recommended that there should be three superior officers—the Public Trustee, Deputy, and Assistant, in order that the business of the office might be expedited and delays obviated. Again, I recommended the appointment of a solicitor in 1886.

361. Tell us what your Solicitor does outside of his professional duties in regard to your office duties?—I consult with him on matters of administration where there is more than ordinary difficulty; and since this Commission has been sitting I have handed over files of papers to him to answer what letters are necessary, as I have not had the time to do so.

362. What is his knowledge of general business?—I think he is credited with a knowledge, and I believe rightly so, of business and business aptitude.

363. What commercial knowledge does he possess?—He was managing clerk for a firm of solicitors in Dunedin for many years.