

607. How do you calculate your interest that you allow on balances? What is your system of calculating interest?—There I must plead ignorance. It is part of the Accountant's branch.

608. You do not know whether interest is calculated daily, weekly, monthly, or quarterly?—It is calculated quarterly.

609. Are you aware that the proper system of calculating interest in a large office, whether charged or allowed on an account in your office, would be by calculating the interest daily under the decimal system?—I believe that system is in vogue in the banks.

610. Are you aware it is in vogue in large commercial houses that do large financial transactions, and in all large loan companies?—Yes, it is so.

611. But you are not aware that the decimal system is practised in your office?—I am not aware. It is under the Accountant, and I have left him a free hand.

612. Have you formed in your mind a system which you would adopt in opening the several branches which you purpose opening? You have opened one at Christchurch: was it, or is it, your intention to open further branches, sending officers from this department to the centres where they may be opened?—That is my desire.

613. You opened the Christchurch branch quite recently?—Yes.

614. When you opened the Christchurch branch, were you aware the Commission was likely to sit?—Yes.

615. Would it not have been as well to have waited until after the report of the Commission had been made before making that change, or was there any urgency in the matter?—There was urgency.

616. In consequence of the urgency you made the change?—Yes.

617. And you appointed Mr. Hamilton from your office at a salary of £250 and a commission of $\frac{3}{4}$ per cent. on receipts, and a guinea for every will and trust brought into the office, and you then authorised Mr. Hamilton, your Branch Manager, to appoint a cadet at the extravagant and munificent pay of 10s. a week?—Yes.

618. You do not think that was extravagant?—I do not.

619. I notice by your letter of instructions that you expect Mr. Hamilton to spend some time travelling from one end of his district to another with a view of getting new business?—Yes.

620. And whom would he leave in charge in his absence?—The only person he could leave in charge would be this cadet, without power to act, of course.

621. Do you not expect there would be moneys continually passing into that office if you expect to do any business?—No doubt.

622. Do you think it is right to place a cadet in that position of temptation on the magnificent salary of 10s. a week, and, I suppose, the privilege of *finding* himself?—He would be a boy living at home with his parents.

623. Is it fair to yourself, or to the office at Christchurch, or to the cadet, that he should be placed in that position?—In talking this matter over with Mr. Hamilton I suggested that he should get the assistance, when absent, of some Government officer in the same buildings, and I apprehend that in the receipt of money he would make some arrangement by which this Government official would bank it for him.

624. Even if Mr. Hamilton could make such arrangements with some other Government officer, is it desirable that the services of an officer employed in matters foreign to your department should be invoked for nothing?—It would be desirable to have it otherwise, no doubt.

625. Do you think, for an officer in the responsible position of Mr. Hamilton, £250 a year is a sufficient remuneration?—No; I think he is not sufficiently paid.

626. How can he manage to exert himself on such terms, when he is prevented, I understand, from doing anything else?—That is true.

627. I presume he is a good officer?—Yes. Do you mean to say the expense necessary to enable him to get about will be a hardship to him?

628. Well, looking at the ordinary expenses that will require him to mix with people who are likely to bring business to the office; for it seems to me that the matter has not been considered in its true bearing?—Of course I had to consider the amount of commission paid at Christchurch and Timaru; and, in order to make sure that my recommendation would meet with approval, I had to show that the expense of the district agency would not very largely exceed those of the agents hitherto.

629. Was this matter of commission agreed to and approved of by the Minister?—Yes.

630. Do you think it is a proper system, paying officers on your regular staff by commission?—I do think so. I know many differ from me. My impression is, if you give a man a certain amount of commission on the receipts he will endeavour to make the receipts as heavy as he can in order to obtain larger remuneration. If a man knows he receives a certain fixed salary, and that it will not be increased, he has not, to my mind, a sufficient inducement to bend all his energies to obtain this business.

631. Has it not occurred to you that payment by commission may be apt to make an officer a little too zealous—that he may even go too far in his desire to earn the commission?—Yes, no doubt.

632. And if you adopt the system of payment by commission in your service, where is it to cease?—The system in the agencies ever since the office was established has been to pay them only by commission.

633. But the agents are not part of your staff, and regular officers in your service. The agencies may be held by Tom, Dick, or Harry, who are not connected with the service, and receive no fixed salary. Then, I ask you do you not think the system a vicious one?—I cannot say I think so. I may instance the Curator of Intestate Estates in Melbourne, who is an officer analogous to the Public Trustee here. His duties, so far as I am able to learn—and I have the