

cerned. If the Colony were to guarantee five per cent. per annum on the daily credit balance of a hotchpotch account in the name of the Public Trustee, to be called the "General Estates Account," and to be composed entirely of balances belonging to intestate estates, then from this "General Estates Account" the Public Trustee, with the advice of his Board, could more easily and safely advance any sum or sums of money at a marginal higher rate of interest, say from one to two per cent., and so provide for the guarantee and expenses. It would also be much more satisfactory to beneficiaries, particularly those interested in the smaller intestacies, to know that their moneys were safely invested at five per cent., and that the half-yearly or annual income, clear of all deductions for legal charges, was secured to them, and that their principal moneys were safe.

Your Commissioners are further of opinion that all intestacies, whether of realty or of personalty, or of both, that may be brought under the control of the Public Trustee should, as soon as convenient afterwards, be sold by public auction, and the proceeds placed in the "General Estates Account," so as to produce five per cent. to the beneficiaries. This course would save the Public Trustee much clerical labour and trouble, besides considerable risk, and lessen the unsatisfactory nature of carrying on the business of an intestacy. The care of house property and of vacant land, the repairs to houses, and the collection of rents, would become a thing of the past, so far as this class of estates is concerned. In regard to testate estates the position of the Public Trustee is different, as he is only called upon to follow the directions of the Wills dealing respectively with them. The same remark is applicable to estates placed in the Public Trust Office by deed.

Fourthly—

In what respects (if any) the scope of the powers and duties of the Public Trustee could be enlarged, or whether any class or classes of property now administered by the said office or its agents should cease to be so administered.

Your Commissioners, in the earlier part of this Report, have offered an opinion that the powers of the Public Trustee should be of a very extended character, and after further consideration they think that he should be authorised to manage estates for people either resident or non-resident in the Colony—that, in fact, he should be empowered to become attorney for the conduct and management of any business pertaining to and within the Colony of New Zealand. So far as their investigation of the classes of property hitherto administered by the Public Trustee has assisted them to judge, they have come to the conclusion that the Public Trust Office of the Colony, under capable management, is the proper and responsible Institution to take upon itself the care and control of all classes of property, whether appertaining to realty or to personalty, and whether belonging to Europeans or to the Native race.

Your Commissioners have been informed that it is the desire of the Public Trustee to divest the Public Trust Office of all business in relation to Natives, and in connection with Native reserves; and it may be a matter of prudent policy or otherwise to withdraw such business from his control; but that is a question of which your Excellency's Ministers ought to be the proper judges. Under capable and experienced management, the Public Trust Office might be made not only a *bond fide* revenue-producing Institution for the benefit of the Colony, but a most economically useful one in the management and custodianship of both real and personal property of every kind. There also seems good reason that the Public Trust Office should be authorised to receive moneys on fixed deposit at rates of interest varying with the term of the deposit. Moneys might also be received on deposit at call, bearing interest at two and a half per cent., provided that upon any such deposit at call no interest should be allowed if withdrawn within thirty days after it had been first made. Conditions of this kind would prove very advantageous to the public, and become a profitable source of business to the Public Trust Office.

Fifthly—

How the law affecting all or any of the several matters aforesaid could or might be amended, altered, re-enacted, or regulated, and by what means and in what manner and form the same should be done.

Your Commissioners are of opinion that the law should be so amended as to provide the greatest facilities for the Public Trustee carrying on a general financial business; for the values and character of properties that from time to time may come under his control are so different that one estate or property may require a totally distinct kind of management from another. The unfortunate system of contributory mortgages that has obtained with the currency of the ordinary business of the Public Trustee is one which cannot be