

579. So that any audit could always check them on your premises, and you could get at them any day you required. Would it not be more convenient for the working of the office?—Yes.

580. *Mr. Macdonald.*] Do you not think it would be possible to make better arrangements than to get only 3 per cent. from the bank? If you were unconnected with Government, could you not make a better bargain for all moneys you had lying idle?—I do not know. It is supposed to be a great concession to get 3 per cent. on the current balance.

581. Supposing an estate comes in to-day of £1,000, do you instantly allow that estate 5 per cent. interest from the day it comes into your office?—Yes—a trust estate, different from wills and intestacies. Moneys coming in under will are required in nineteen cases out of twenty to pay debts; so we are bound to keep a balance to meet liabilities. A trust estate is different. It comes in, say £1,000, to be invested, and therefore we invest it at once at 5 per cent.

582. Supposing £1,000 came in by deposit-receipt, maturing the day after it came into your hands, you get the £1,000, but would not receive any interest for that?—Yes. We dare not invest it up to the hilt.

583. Then, the department is reaping 3 per cent. from that until reinvested?—Yes.

584. Do you not think that is rather unfair to the people utilising the Public Trust Office?—Well, it has always appeared to me that we have been very liberal indeed in allowing trust estates 5 per cent. from the moment the trusts come in.

585. That may be, that a trust estate may be getting an advantage from you, but that is not so important to the great bulk of people utilising the Public Trust Office as it is that money coming in under will shall produce a good rate of interest—say 5 per cent.—for the widow and legatees. If you are prepared to give 5 per cent. to a trust estate in which the parties are living, should you not allow 5 per cent. for the benefit of the widow and orphans under a will?—It is understood that moneys coming in under will are to be invested as soon as possible after it is ascertained what amount is available for that purpose.

586. How long do you advertise for claims?—Six weeks.

587. And then you are always liable for twelve months?—Yes, always.

588. Practically speaking, you are tied up for twelve months?—As a matter of law we are, but as a matter of practice we are not.

589. As a typical case, supposing £1,000 comes into the office under a life policy for a widow and children, how long is it before that can be invested?—Preferential claims will have to be paid.

590. What do you call preferential claims?—Funeral and testamentary.

591. What do you mean by “testamentary”?—All expenses of proving the will, advertising, legal charges after death, not before death. I should say that estate would be invested in less than half an hour, but it might take six months.

592. In other words, instead of its producing 5 per cent. the moment it came into the office—£50 a year—it would be for six months without any interest. The estate would lose £25?—It might do, but circumstances alter cases.

593. In the meantime you would have been receiving 3 per cent. from the bank?—Yes.

594. In other words, for six months you would have been earning 3 per cent. instead of the beneficiaries getting 5 per cent.?—No; that is not so, for this reason: We have an Order in Council which requires us to allow on all floating balances 4 per cent. per annum to the persons whose estates are in the office. So that the real loss is 1 per cent.

595. Then, you are incorrect in your first statement?—I supplement it now by the Order in Council.

596. Do I understand you to say that every estate gets 4 per cent.?—For every full calendar quarter. If the money comes in in February, it will not be credited with interest until June, at 4 per cent.

597. In that case, if it came in on the 2nd January, it would be three months before it would bear interest?—Yes.

598. Do you not think it would conduce to the popularity of the department, and would be a greater fairness to legatees, if the department allowed a rate of interest, whether 3, 4, or 5 per cent., from the day the money came into your hands, the same as ordinary merchants would do?—Yes, instead of the calendar quarter.

599. Again, is it right the Public Trustee should be working these estates at a loss to his department? You are losing 1 per cent. I am assuming, of course, that the balance in the bank is at interest. The department is losing 1 per cent.?—But, on the other hand, if we were invested up to the hilt we should be gaining 1 per cent., because we should be getting 5 per cent. and allowing 4 per cent.

600. *The Chairman.*] Then, do I understand you that the Public Trust Office allows interest on all moneys that come into its hands?—On all floating balances from the beginning of a quarter—the succeeding quarter.

601. *Mr. Macdonald.*] Supposing that £1,000 came in to you on the 4th January, that is a broken quarter—you would not begin to allow interest until the 1st day of April, under wills?—No.

602. So that, practically speaking, the department would gain three months', less four days, use of that money for nothing?—That is so.

603. *The Chairman.*] I want to deal with a smaller balance than £1,000. For all small credit balances that come into your office, for every sum of money, large or small, from the day it comes in, does the office allow interest?—In all estates other than trust estates the office allows 4 per cent. on floating balances, on sums not under £50.

604. You do not allow interest on sums under £50 in any cases?—There is a class of Maori estates where we do allow interest on every complete pound.

605. Then the Maoris are treated exceptionally favourably?—That is so.

606. Is there any justification for that?—I cannot justify it.