

approved, when the difficulties in connection with their management have been made apparent. Your Commissioners felt so uneasy in respect to this class of security that they deemed it a prudent course to require the Public Trustee to obtain the opinion of leading counsel. This was done; but, as the Public Trustee seemed to think that the single opinion of one legal firm was sufficient to satisfy the doubt that had existed in their minds, and refused to take another opinion without the consent and approval of the Colonial Treasurer, your Commissioners took upon themselves the responsibility of procuring a second opinion upon the subject of the law regulating the Public Trustee, on the mode of doing business, and also on the duties of the Audit Department in relation to the Public Trust Office. These two valuable opinions appear in the evidence, and there cannot be any doubt but that the law should be altered as early as possible to give freedom to the transaction of all business that may be intrusted to the Public Trust Office, and new legislation should tend in that direction. Your Commissioners recommend that, in connection with "The Sale for Non-payment of Rates Act, 1870," and subsequent Acts of 1876, 1879, 1882, 1885, 1887, and 1888, the Public Trustee should have the power to lease by public tender any land for any term up to twenty-one years; and, in the event of not finding a tenant after three months' notice, he should be empowered to sell by public auction without the intervention of the Registrar of the Supreme Court. Under the present Rating Acts the costs of selling property on which rates are overdue are exceedingly high.

Sixthly—

And, generally, into all or any matters or things incident to or arising out of your inquiries into the matters aforesaid; the intent and object hereof being that full inquiry shall be made into all the business and operations of the said office.

A cause of dissatisfaction has arisen with the clients of the Public Trust Office in connection with petty charges. No proper system of keeping an account of postages chargeable to each particular estate has ever obtained in the Public Trust Office; but estates have been at different periods charged according to the caprice of the Ledger-keepers. Attention is directed to a return of postages debited to estates in the Public Trust Office during the annual periods of 1888, 1889, and 1890, which shows respectively, in round numbers, £250, £257, and £165. These several sums point to overcharges, for the annual amount paid by the Public Trust Office to the Postal Department has varied from £100 to £150. Your Commissioners are of opinion that the commissions and fees charged by the Public Trust Office in the management of estates are sufficient to cover petty charges for postages, which of themselves, when charged to estates direct, are very apt to occasion irritation and discontent in the minds of beneficiaries and clients; and for that reason such a system should not be continued in the future, particularly as the rates of postage are shortly to become of an uniform low rate. In respect to telegrams, your Commissioners are of opinion that the cost of these should be charged direct to the estate interested.

Your Commissioners would draw attention to an interesting return that forms one of the Appendices, and relates to law charges and legal expenses incurred by the Public Trustee, and paid largely out of the profits of the Public Trust Office. The total amount exceeds £13,000. A considerable part of these costs has been incurred notwithstanding the fact that a solicitor of experience, subordinate only to the Public Trustee, has been for some years a member of the official staff employed in the Head Office. Your Commissioners cannot help feeling that considerable want of business tact and management is obvious from this fact alone; and they have little hesitation in stating that a large proportion of such costs should never have been incurred. There are estates in the Public Trust Office that have suffered most severely and injuriously in this respect. One especially, that of Hugh Wright, a lunatic, was greatly impoverished by heavy legal costs incurred at Christchurch.

Your Commissioners, in examining the methods adopted by the Public Trust Office in the disposal of the personalty of intestate estates, were very much startled by the disclosures made in evidence. The revelations in connection with the purchases by officers in the highest positions in the service of the Public Trust Office were of the most unexpected character. Your Commissioners cannot too strongly deprecate such conduct, not only as being improper and open to grave suspicion but utterly indefensible and illegal.

Your Commissioners, in their examination of various lunatic estates, have discovered that the provisions of "The Lunatics Act, 1882," with respect to the maintenance of lunatics out of their estates have not been given effect to. In several instances the greater part of the estate of the lunatic has been used for his maintenance in the asylum, very little consideration