which would result disastrously. For some time after I assumed the control of the department there was but one cash-book and three ledgers; but the rapidly growing business, together with the frequent absence of the cash-book, which was then daily sent to the Audit Office to be entered up in a duplicate set of books there, in course of time brought about such inconvenience and confusion as to become intolerable. I was therefore compelled by stress of circumstances to depart from the single-cash-book system and to open new books, to mitigate as far as possible the evil complained of; and it will be found that from the 1st January, 1886, this was to some extent accomplished: but the system now in vogue may be said to have been completed on the 1st January, 1887. As the inconvenience caused by the daily removal of the one cash-book has now ceased, I am of opinion that a smaller number would suffice, but I could not advocate a return to the one-cash-book system. The ledgers naturally, as business increased and the necessity constantly pressed of having a larger number of men employed, became more numerous, and, instead of being "general," as at first, became more and more specific until the 1st January, 1887, when the present subdivision of work was inaugurated. The number of ledgers must, of course, increase with the expansion of the transactions of the office, and I have no doubt whatever in my own mind that the number within a few years must be much larger than at present. I do not anticipate, however, that any addition will become necessary in the immediate future. On the subject of the ledgers there cannot be the shadow of a doubt that if the office continues to increase as it is increasing the number of ledgers must be doubled and trebled and quadrupled. What was quite sufficient in the year 1880 would be absurdly insufficient at the present day.

8. What about the cash-books?—As to the cash-books, the "blocks" that used to be occasioned by the necessity under the Audit rules for reference to them have in a great measure ceased. That department does not at the present time keep a duplicate set of books as formerly. Consequently, the cash-book is not absent from the office at all, and the only interruption is during the time that the Audit officer is checking. So that, whilst one cash-book would be impossible for carrying on the business satisfactorily, three might be found to suffice—that is, two for entries, and the other to be the general cash-book, as at present. At present our seventh cash-book is the general cash-book, which takes the totals of the other six. But we cannot manage with one cash-book. If we had one poster, he would be interfered with by the Audit officer naturally, and a great deal of his time would be wasted. The system of numerous cash-books was introduced solely to avoid the inconvenience which resulted by the necessity for the removal of the cash-book. It could not be helped in those days; it may now. As regards the office I do not know that I have anything further to say. I should like to say, before closing the Head Office matters, that the staff, in my opinion, is a very excellent one; and I do think, as I have represented to Ministers many times, that the superior officers, down to the Ledger-keepers, are very much underpaid. The nature of their duties is most important, and men ought to be paid for their responsibilities. Having completed my remarks as to the Head Office, I will now deal with agencies. Your request to be furnished with information as to the mode adopted in conducting the business of the Public Trust Office in its several branches, &c., has had my attention; and in reference thereto I would state that the affairs of this office out of Wellington are conducted at the present date through twenty-four agents, one of whom, however, has received notice that his agency will be closed after the 31st March. A statement will be furnished giving the localities of the agencies, the names of the agents appointed to each respectively, their average annual remuneration for the past three years, the nature of the guarantee given by each, whether by bond or policy in a fidelity guarantee company, the total annual receipt of each agency for the past year, and the expenses of administration in connection therewith, as requested. The Commission are in possession of the printed instructions dated June, 1886, which I may term the standing orders of agents. Definite instructions in the various estates are from time to time forwarded to them from the Head Office as occasion requires, as the records now being examined by the Commissioners will abundantly testify. The agents are very greatly assisted in the successful discharge of their duties outside their respective towns by the police, who render valuable service in the protection of property, and its removal to places of safety where necessary; in the obtainment of valuable information, both of papers, persons, property, claimants, next of kin, &c.; and in many other ways. The agents, with the sole exception of the recently-appointed district agent at Christchurch, have no power of liquidating any claims whatever, nor have they any authority to commit the office to any expenditure under any circumstances: the previous approval of the Public Trustee is first requisite. They are receivers, and all their receipts are, or ought to be, banked daily. Hence their monthly copy of cash-book, furnished to the Head Office, contains on the debtor side moneys received by them from all sources during the month, and on the other payments into the Bank of New Zealand, supported by bank receipts. To them is intrusted the realisation of intestate estates, the receipt and examination of all claims against such estates within their respective jurisdictions, the sale of all property, real or personal, directed to be sold under will, deed of trust, or otherwise, the collection of all interest and rents, and generally all such duties as are usually performed by an ordinary agent, excepting only the power of disbursement of moneys, which, with the one exception referred to, is scrupulously retained in the hands of the Public Trustee himself. It may be well to explain here that, as the agents are not in the Civil Service, and consequently have no position therein to lose, it has not hitherto been deemed advisable to intrust the agents with the power now under consideration. I proceed now to address myself to the proposition, "In what respects the administration of such agencies and their convenience to the public can be improved." With the exception of the recently-appointed district agent of Canterbury, and of the agent at Auckland (Mr. Watkis), all the agents of the office are commercial or professional men, most of whose time is devoted to their other avocations; consequently it has not infrequently happened that the necessities of particular estates have not met with that attention and promptitude of action which was desirable; and, although this remark does not apply