

732. In the Marlborough Provincial District there is a mortgage, 91/263, £1,900, with a property-tax valuation of £1,985?—£3,836 was the valuation of my private valuer.

733. The property seems to have depreciated since then?—Yes.

734. It seems curious that the property-tax valuation is just half your private valuation?—And the agent's opinion is £4,000. We lent £1,900. They asked for £2,000, and we lent £1,900 in order to keep within the margin of our private valuator's report.

735. You do not know any reason why the property-tax valuation is so widely different?—We sent this matter specially to the Crown Lands Department because we were dissatisfied. We had the whole thing raked up. We had the Property-tax Department getting their man over there to explain how it was. It appears to me the Board was justified in taking three men's word against one's. These matters depend entirely on the valuers. If the valuers deceive us we are deceived.

736. There are a large number of loans outside the category of ordinary investments in your office—loans already existing, some of which appear to want a great deal of inquiry, the values set against them, as shown in the property-tax returns, being in many cases lower than the money lent by former trustees. And I also notice that a number of these mortgages have matured, but no effort appears to have been made to call them in, as far as one can judge from the papers. Here is a mortgage expiring in 1880, which comes in to you for £1,100. There is another expiring in 1889. £850 was lent, and the property-tax valuation is £700. Here is another expiring in 1886, £165, on which the property-tax valuation is £70. Here is a mortgage expiring in 1885 of £1,000, on which the property-tax valuation is only £1,000; another expiring in 1890, £325, on which the property-tax valuation is only £300; and a whole series of them all through. What steps do you take in reference to these mortgages?—We make all inquiries, and it depends entirely on the nature of the estate and the requirements of the estate whether we sell or temporise. If the estate is in debt we must realise, whether we lose or not. On the other hand, if by nursing we can protect the estate we temporise, and endeavour as soon as time permits to realise with advantage.

737. There is a great deal of nursing required in some of these?—A great deal; and I think it will be seen that the investments of the office are in a very different state from investments made by private trustees.

738. Is the department not liable to be blamed for allowing a mortgage which expired five or six years ago to run on without getting some reduction of the principal, when the department is aware from the property-tax returns that the value has considerably lessened, and that the value is even less than the amount lent on the property?—There is a mortgage (91/1162) upon which £350 was lent. It expired in 1882, and the value of it under the property-tax is now £200. The former trustees had advanced too much. The former trustees were solicitors in Wellington. Whenever a new property-tax valuation is made we obtain from the Property-tax Office the values of all our mortgage securities. So that it puts me on the *qui vive* every third year. In these two particular cases I called upon the mortgagors to reduce the loan. I was advised that if I attempted to sell I would sacrifice the property. I called upon them to reduce by £5 per quarter—it was very small. That has been kept up, and at the present time the securities, though trifling, are good, although they were bad when they came into the office. That we have done in many cases. It never would do to sacrifice a mortgage by putting too much pressure on the mortgagor.

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WEDNESDAY, 15TH APRIL, 1891.

Mr. R. C. HAMERTON, Public Trustee, further examined.

739. *Mr. Loughrey.*] Mr. Hamerton, in looking through the documents I discovered that there were a good many complaints as to delay in paying the residue to the beneficiaries. I suppose that has been the principal ground of complaint in the office?—The payment of residue claims is the principal ground of complaint.

740. And I notice also in going through the papers that there is considerable delay—that is, an estate gets into the office at an early date, and it is some years before it gets out again. What is the cause of that delay?—Subject to your examination, I am surprised to hear it.

741. Can you discover amongst the papers the case of John Jones, a lunatic? There were complaints by the Rev. Heavingham Roost, stating that the children were destitute?—I cannot reply, unfortunately, because that was before my day.

742. *The Chairman.*] Did you never think it necessary or advisable to look into the work of the office that had been carried on before your time?—Only as regards the cases that came before me. As I have before explained to the Commissioners, I was appointed Public Trustee in conjunction with the whole work of the Stamps and Land and Deeds Registration, and I can assure you that for weeks and months I worked about sixteen hours a day to keep the work down at all.

743. Then, you had not time?—It was absolutely impossible for me to inquire into cases that did not come before me.

744. *Mr. Loughrey.*] And the case of John Jones did not come under your notice at all?—It did not.

745. The next case I have on my list is that of Luby, a lunatic. His friends provide the maintenance for him, I believe?—His mother and some property of his own in Ireland provide the maintenance for him.

746. He had property in New Zealand?—Yes.

747. Some of it was under lease when the man became lunatic?—No; I leased it.

748. And afterwards what became of the property?—I sold it.

749. On what conditions?—An offer was made; but apparently the purchase-money bears a very low rate of interest.

750. I want the history as to why it was sold so as to give such a small return?—I did not