

every estate a full and absolutely complete record at Head Office became requisite. Hence also the protective result that every act proposed with regard to an estate came under the review of the Public Trustee.

It is obvious that with the increase of business the Public Trustee could not be expected to bring his own mind to bear upon every question that arose. Each estate is, as the Public Trustee himself has put it, a separate microcosm—a separate business—and presents its own problems. In regard to every estate, some thought, judgment, and discretion must be exercised by the Trustee—it may be as to whether and when a property should be sold, how it should be sold, what the reserves should be, who shall sell it, whether it should be let, what terms should be asked, what repairs should be done, who should pay for them, whether a tenant is properly farming his land. Upon all these points thought, judgment, and discretion on the part of the Public Trustee himself or his Deputy are called for. How the work is done may be briefly described.

All estates, whether under deed, will, or intestacy, or from mental patients or convicts, are attached to some district branch or agency. An estate on coming to the office is assigned to the officer at headquarters in charge of that class to which the trust belongs, and he is the medium of communication with the branch office or agency. For example, if the trust is created by will, it goes to one of the two officers in charge of the estates under will, one taking those from A to L, and the other those from M to Z; if it is an intestacy, it goes to the officer in charge of intestacies; and so as regards mental patients, &c. The officer in charge frames instructions for the branch officer or agent thereon. All subsequent correspondence and communications from the branch, or beneficiaries, or others is passed out to him. He prepares the instructions or reply thereon. The letters embodying instructions or replies or otherwise relating to the estate are then submitted with the relative file of papers to the Public Trustee, or the Deputy, or Secretary, and if he approves, he signs.

The officer in replying should, from his knowledge and experience, be able to form a correct judgment on many matters without previous reference to the Trustee, and in practice does so. Otherwise he refers the question to the Public Trustee first. In short, subject to the Public Trustee, the officer in charge of the particular department “runs” the estates belonging to that department by advising and controlling the District Managers and Agents and using them as his executive.

These officers in charge of estates send up for approval and signature by the Public Trustee between two and three hundred letters per diem—quite an unnecessary proceeding in our opinion—as hereafter referred to in general recommendations.

THE COMMON FUND.

A further subject for explanation is the Common Fund. In the earlier history of the Public Trust Office the moneys belonging to each estate were as far as possible separately invested, but owing to the difficulty of always finding investments to suit the exact sum to be invested, the practice grew up of combining moneys belonging to two or more estates and investing them, *pari passu*, on one security. In the year 1891, consequent on doubts as to the legality of this mode of dealing with trust funds, and in accordance with the recommendation of a Commission which sat in that year, provision was made by statute for the Common Fund, which in effect means that all trust moneys which come into the Public Trustee's hands, unless expressly forbidden to be so invested, form one blended fund, and are invested indiscriminately, so that no investment can be said to be earmarked or to belong to any particular estate. This Common Fund earns interest at, say, from $4\frac{1}{2}$ per cent. to $5\frac{1}{2}$ per cent. per annum, and the estates whose money make it up are paid at a somewhat lower rate without break for any interval of non-investment. This rate is fixed by *Gazette* notice from time to time, and the difference between this and the rate earned is retained by the office in lieu of commission on the income as profit.