

would have an additional advantage, and, it is thought, would tend to relieve the office from a charge of inadequate outside experience. In particular, having regard to the many cases in which farms and live-stock have to be dealt with, the securities held over agricultural lands, and the number of tenants of that class of land, we strongly recommend that one of the additional members should be a person who is experienced in matters relating to farming and stock. The addition of the non-service members would also enable and induce more business of a general character to be brought before the Board than is possible with the time available to the present members, who have the weight of their own Departments upon their hands. Provision should be made for sub-committees of the Board, of which the Public Trustee should always be one, so as to enable appropriate business to be delegated to the non-service members.

In the earlier history of the office the Board as then constituted might well have been considered adequate, but the business has grown so enormously, so much larger estates have come to be dealt with, and so many more questions of policy of action arise, that the necessity for a stronger Board appears to your Commissioners inevitable.

It is not suggested that the Board should go into particulars of individual estates. It should only deal with such matters as the Public Trustee brought before them, but all complaints should be submitted to them and investigated. Otherwise matters to be dealt with should be left to the discretion of the Public Trustee, as in the case of the general manager of a bank or other institution. He knows, or ought to know, what are matters proper for the Board and what not.

Your Commissioners are conscious that the greatest care and discretion would have to be exercised in selecting the proper persons to be appointed as additional outside members, otherwise they might not prove a source of strength. They should, of course, be bound to secrecy to the same extent as the Public Trustee himself. It would also be necessary to attach some remuneration to the position.

Further, if the appointment were made, the quorum for a meeting of the Board should, we think, be raised to four.

It is noteworthy that in the case of trustee companies, both in New Zealand and Australia, a Board exists. In New Zealand the Boards are composed chiefly of business men. This fact is held out as an advantage and inducement, and so operates.

The desirability of appointing to the Board members from outside would not operate with the same degree of force, and might, indeed, in a Government institution, be put aside if the Public Trustee himself is one who has had a good business training and experience, as he undoubtedly should have, or one who has graduated through the office, for we regard the experience gained by long service in the Trust Office, conjoined with capacity to take advantage of it, as affording as sound a basis for an appointment as that of business experience gained outside.

We may remark that, so far, the holders of the office have, with one exception, been selected from the legal profession.

The Board, strengthened as here set out, while giving due weight to the recommendations of the Public Trustee, and without seeking to force its own views upon him, would, we are satisfied, inevitably benefit the institution in all that pertains to prudent and sound administration.

VI. WHETHER THE AFFAIRS OF THE MEMBERS OF THE NATIVE RACE INTRUSTED TO THE PUBLIC TRUSTEE ARE CAREFULLY AND SATISFACTORILY MANAGED, AND TO REPORT WHETHER THE NATIVE BUSINESS MANAGED BY THE PUBLIC TRUSTEE SHOULD BE SEPARATED FROM THE PUBLIC TRUST OFFICE AND MANAGED BY A BOARD OR A TRUSTEE SPECIALLY APPOINTED FOR THE PURPOSE.

The affairs of the Native race dealt with by the Public Trustee may be grouped under three heads—(1) The West Coast Settlement Reserves in the