

discussion that took place, in fairness to the Public Trust Office it was considered that the Government should institute a systematic and thorough inquiry into its management, to show the public that there was no cause for any reflection as to the methods of realization. Accordingly, on the 16th December, 1912, a Commission consisting of Messrs. Alexander Macintosh and J. H. Hosking was set up to inquire and report into the working of the Public Trust Office, and in particular to ascertain—

- (a.) Whether estates in the hands of the Public Trustee are efficiently administered :
- (b.) Whether the moneys controlled by the Public Trustee are satisfactorily invested :
- (c.) Whether the realizations are properly conducted :
- (d.) Whether the affairs of members of the Native race entrusted 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 by a Board or a trustee specially appointed for the purpose :
- (e.) Whether the methods of book-keeping and accountancy adopted by the Public Trustee are satisfactory and in accordance with proper business methods :
- (f.) Whether the Public Trust Office is well and sufficiently staffed :
- (g.) Whether the present constitution of the Public Trust Office Board is satisfactory.

The Commission commenced its proceedings on the 9th January, 1913, and it was occupied continuously until the 4th February, 1913, during which the heads of the various divisions of the Head Office were interviewed, and evidence was taken of such persons as it was thought desirable to examine. A number of business men not connected with the Office were also examined, whilst the Commissioners were furnished with a large number of returns on various topics relating to the work of the Office. By advertisement in the principal newspapers evidence was called for in connection with the subject of their inquiry.

The Commissioners' report, dated the 11th April, 1913, found that the methods and working of the Office were quite satisfactory. They confidently laid it down for the assurance of those who had dealings with the Office that its system and methods provided for the greatest care for safeguarding, controlling, and scrupulously accounting for any estate placed in its charge.

With reference to the conduct of realizations, the Commission was of opinion that these were carried out on proper business lines consistent with the duties of trustees.

As to the investments, the Commissioners found not only that they were of a satisfactory character, but that the methods of making the investments were also manifestly sound, having regard to the small proportion which cases of default and of doubtful securities bore to the total funds invested. The system of book-keeping in force was reported to be well calculated to secure accuracy and reasonable expedition.

As regards the Public Trust Office Board as it was then constituted, the Commission recommended that, in addition to the members who then attended the meetings, two non-service business members should be added, as this would be likely to secure independent and sympathetic consideration of complaints or grievances of beneficiaries or others, and so be the means of prompt redress. Furthermore, as men of business, their appointment would have an additional advantage, and it 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 had to be dealt with, the securities held for agricultural lands, and the number of tenants of that class of land, it was recommended that one of these additional members should be a person experienced in matters relating to farming and stock. In recommending this appointment the Commissioners urged that in the earlier history of the Office the Board as then constituted might well have been considered adequate; but the business having grown so enormously, and so many of the larger estates having to be dealt with as a consequence, many more questions of policy arose, thus creating the necessity for a stronger Board. These recommendations were given effect to in the Public Trust Office Amendment Act, 1913.

The Commissioners also reported at length on Native affairs entrusted to the Public Trustee. It was found that they were carefully and satisfactorily managed, but, in view of the large number of questions of policy or otherwise constantly arising out of the administration of these affairs, the Commissioners were of opinion that the whole of the Native reserves and their administration should be invested in an independent body. They further suggested that a Native Reserve Trustee should be created, with a Board consisting of the Under-Secretary of Native Affairs (or some other expert in Native affairs), the Under-Secretary of Lands, and two other members appointed by the Governor, of whom one should be a Native and the other a European who has had experience in agricultural matters. The recommendations of the Commission in this respect have been duly given effect to in the Native Trustee Act, 1920.

The Commission also reported upon other matters that came under their notice in the course of the investigations, and made suggestions which in their opinion would add to the greater efficiency of the Office. Amongst these was the question of Office staff and organization. The Commissioners pointed out very strongly that an undertaking such as the Public Trust Office, the business of which was not only commercial but of a highly technical and difficult nature, should be amply staffed, with a staff of skilled officers capable of efficiently doing the work. The Commissioners found that the existing staff was competent, but insufficient to cope with the volume of business. Since that time this difficulty has been overcome, and the staff arrangements strengthened in such a way that the business of the Department can be fully and promptly carried on.

CHARGES FOR THE SERVICES OF THE PUBLIC TRUSTEE.

During the debates which took place when the Public Trust Office Bill of 1872 was before Parliament, among the objections which were raised to the establishment of the proposed institution was one which dealt with the probability of the expenses of the Office becoming a charge upon the Consolidated Fund. This contention was strongly opposed by Sir J. Vogel (then Mr. Vogel), who was strong in