character should be made periodically by the Public Trust Office to find the owners or beneficiaries of unclaimed estates.

Your Commissioners have examined into the circumstances connected with the administration of many estates wherein the treatment by the Public Trustee of the moneys and assets has proved to have been imprudent and unwise; and the result appears to show that, in many cases, the persons entitled to the benefits of such estates have been treated in a somewhat arbitrary and cruel manner. We regret to say that the Public Trustee appears to have displayed a total absence of capacity and knowledge of how these estates should have been managed and controlled. And they have to ask attention to the evidence relating to many such estates, as shown in the statements accompanying this Report; more especially to the sad history of the treatment by the Public Trustee of the estates of Mrs. Dallon; Hugh Wright, a lunatic; the Meurant Trust; Holmes, a lunatic; Parminter, Samuel Young, and others. Also to note the manner of the dealing by the Public Trustee with Mr. W. F. Ross, who became a purchaser of a certain frontage of freehold land in Lambton Quay, Wellington.

A most unusual and peculiar method has obtained with the Public Trust Office—perhaps legally—of keeping its Profit and Loss Account under the heading of "Expenses Account," to which all salaries and charges during the currency of the financial year have been debited, while at the same time all commissions, interest, and fees have been credited to it; and, the latter three items of credit being greater than the debit entries, the Expenses Account holds the anomalous position of always appearing in credit; and your Commissioners desire to indicate this as an example of the inefficient mode of book-keeping. The "Expenditure" Account should only contain debit charges for salaries, law-costs, and petty cash, and should not contain credit entries, unless in the shape of a refund of some charge previously made to it during the year. "Commission" Account should be a separate account, and always in credit. "Interest" Account should be a separate account, and in credit; and "Fees" Account should also be a separate account in credit. At the end of a half-yearly or annual balance the balances of these several accounts should be brought to a Profit and Loss Account in the general ledger, and disposed of by showing the result—a balance of either profit or loss.

Your Commissioners have had returns prepared showing in detail how each total amount that appears on the balance-sheet of the 31st December last is made up, and they recommend that similar returns should be continued at future annual or half-yearly balances. Had a regular system of this kind obtained hitherto, and the books and files of papers been in proper order, there would have been no necessity for the employment by the Public Trustee of a large staff of extra clerks during the tedious investigation on which the Commissioners have been engaged.

Thirdly—

The investment of trust and other funds by the said office, whether under deed, will, or other instrument, or in any other manner authorised by law, general or particular, and the class, terms, and mode of investment in all or any of such cases.

The investment of funds under mortgage by the Public Trustee appears to require the sanction of a quorum of the Public Trust Board. Applications for loans are entered in the Board's minute-book, with the name of the applicant and amount of loan applied for; but no particulars, description, or locality of securities have been entered on the minutes placed before the Board. The loans, after consideration by the Board, are either "granted" or "declined," and such decision has been written in the minutes as each case has occurred. Your Commissioners are of opinion that a proper description and full particulars of every security offered for loan should be carefully and minutely described in the Board's minute-book before being placed before the Board. Had this system been practised hitherto, much trouble would have been avoided in the investigation just made. The duties of the Public Trust Board do not seem to extend beyond the sanctioning of loans. For instance, it does not appear to have been within the province of the Board to inquire into or know anything of the securities after loans had been granted—not even to know whether a loan granted had been completed as a security, and whether the value of such security had subsequently fluctuated. In the opinion of your Commissioners this is a most important duty, and ought to have been attended to by either the members of the Board or by the Audit Department; and any loan granted by the Board, after its acceptance and completion by the mortgagor, should again have been reported in the minutes of the Board and the date of its completion recorded.