

at present, as long as you are allowed to pay 5 per cent." When it is considered in what condition of wreck and confusion the investment of the capital funds of the estates in the Public Trust Office was left by the administration controlled by Mr. FitzGerald, how hope had been almost abandoned of saving the office from destruction, and how extremely embarrassing was the position of the Government, the surprise will be that, notwithstanding the extension granted with confidence and alacrity by the Legislature of the guarantee of the colony to the capital funds, and to a common rate of interest on those funds, I should have succeeded in finding a way out of the surrounding difficulties without some expedient which, exposed by Mr. FitzGerald to a partial light, could only be justified as a choice of evils in a case of great extremity. The Legislature has, by providing for an investment of the capital funds without any concern to the estates from which they arise, effectually prevented the Public Trustee from occupying a conflicting position in respect to investments made after the passing of the Act of 1891. When the provision is, as it is becoming daily, completely applied to all estates, the conflict must obviously be impossible, and, if there is a fault at present in the eyes of the law, it is in the consideration which, in the confidence that the Government and the Legislature desire and will approve of consideration, I am extending to the estates.

In his twelfth and last objection, Mr. FitzGerald pleads for a reversion of the law of 1891, by which he was rendered powerless to insist on the adoption by this office of what are regarded by himself as accounts "of the form and on the principles which have been settled by all scientific accountants to be most likely to secure the stability of a financial institution, and to afford the readiest information as to its proceedings and financial position." He pleads, indeed, that the legislation should be repealed, that the Public Trust Office may fall again under his control, and that everybody but the Audit should be stultified—the Government, the Parliament, and the people. The last state of the Public Trust Office might, in this case, be expected to become worse than the first. I have already shown that Mr. FitzGerald's unfortunate principle that all receipts must come to the Treasury, and all payments be issued from the Treasury, renders impossible the adoption of an efficient arrangement of accounts; and general opinion concurs in the folly of the conclusion that a public department cannot be trusted to make its payments without the impracticable imposition of an audit preceding payment. And, as to the readiness of the Public Trust Office to supply information as to its proceedings and financial position, it will be sufficient for me to ask that my report, to which, in this memorandum, I have so often alluded, may be again carefully perused.

The Controller and Auditor-General has control enough over the Public Trust Office in the authority to audit and to report on the result, and, when this duty is performed in a spirit arising out of a desire to faithfully represent the result, there can be no more fear "of failure, whether from mismanagement or otherwise," than if the dictatory control which has been removed still existed. The Public Trustee, indeed, would in ordinary course possess, for the control and management of the Public Trust Office, qualifications superior to the qualifications which for that purpose would be possessed by the Controller and Auditor-General; and, this being the case, it will be obvious that the subjection of the superior special qualifications could afford no intelligible security to the taxpayers against "any failure, whether from mismanagement or otherwise." I trust that I may be understood to be speaking here in the abstract; not in egotism or disparagement. The same principle would apply to the Government Insurance Office; though if the authority of the Audit to control the administration were exercised with proper discretion the risk of disaster might not be very great. The difficulty would arise if Mr. Richardson should have an opinion of his own in which Mr. FitzGerald would not concur; in such a case the Commissioner would be left to a choice not satisfactory to the taxpayers, between the evil of Mr. FitzGerald's resentment, and the evil of sacrificing the interests of his department.

The anomalous position to which Mr. FitzGerald objects, of the Public Trust Office standing alone in being relieved from his control, has, as I have explained, been rendered necessary by circumstances; and I would remove this anomaly, not by again subjecting the Public Trust Office to the despotism which insists on raising accounts out of the subordinate position of being the means of economy and safety to business, and sacrificing to arrangements for the receipt and payment of money and to a confusion of superfluous book-keeping every interest of the public, but by so relieving other departments, and affording them the liberty of adopting for their pecuniary transactions methods of account on the principles of the Post Office and Public Trust Office accounts, that the anomaly may become that of a department not relieved from the control. The Treasury should, in my opinion, direct in matters of account where direction from without is necessary.

The audit, which Mr. FitzGerald regards as sufficient, of the accounts of the Public Trust Office is a very light task. But, light as the task is, the Audit is often months in arrear. The Audit officials may not be under any obligation to work like the officials of the Public Trust Office. They exert themselves but little in any but the most unamiable duties. They should be ready to report on a balance-sheet immediately that it has been prepared, and could easily be ready, if the work were regularly and systematically performed, and there were less anxiety to find fault than to prevent it. Such an audit as Mr. FitzGerald thinks enough would, properly performed, not occupy one good working official half the year. There is too much reason to fear that the energies of the officials to whom the task of auditing the Public Trust Office accounts is allotted are misdirected. For faults in the choice of Audit officials, for their incompetence, or for their inexperience, Mr. FitzGerald would be responsible; but both they and he would be held responsible for their gross neglect of duty. I have already referred to the issue which, before I became Public Trustee, was made of stamped paper, without any account of the issue having been kept by the Public Trust Office, or required by the Audit. And that case warranted, I think, the reflection of Mr. FitzGerald, "These matters seem to have been managed with no conception of what is necessary to secure the department from fraud." It would probably have been a relief to the late Public Trustee in more senses than one if the Audit could have diverted to "matters" of such real and grave importance some