

The objection No. 2 (1) is not correct. The agent mentioned was appointed to Greymouth on the 1st June, 1893, and his salary, *as an agent*, was shown from that date and not before. The objections Nos. 2 (2), (3), (4) are trifling clerical errors in analysis—cases of items placed under the wrong special headings. The total of the expenses is not affected in any way.

The objection No. 2 (5) relates to a difference of £55, the total amount of certain accounts issued by the office for payment prior to the 31st December, 1893, but which were not actually paid until after that date. They are, consequently, rightly treated as outstanding. A similar explanation was given to a similar objection last year. The objection is rather, I imagine, to the system of accounts.

The objection No. 2 (6) is a misrepresentation of the facts. The value of the land comprised in each lease is fixed by me, and there are besides my own expenses, which are not charged, those of the two persons whom I employ to inspect and report upon the land to enable me to fix the value. It will be sufficient for me to say that the expense of the two in furnishing the report is, if anything, considerably in excess of the charge made to the West Coast lessees.

The objection No. 2 (7) is difficult to answer without a knowledge of the details, which the Audit withholds. It probably includes some items of interest which were not credited to estates until after the close of the year, and which have since been adjusted.

The objection No. 3 (1) has no foundation in fact, and must have been raised out of incapacity to understand the transaction. The details cannot be given for fear of an exposure of the private business of a client.

The objection No. 3 (2) was an error, since adjusted. The difference was treated accidentally as interest, instead as of a repayment of principal. Errors like this should, of course, be taken into account by the Audit in making the adjustments, subject to which the balance-sheet would be passed. But, to particularise such an error as the foundation for such a report as Mr. FitzGerald's is, I submit, uncalled for.

The objection No. 3 (3) relates to the case of an investment coming into the office with an estate, and which was treated for convenience in a manner to which the Audit raises an objection, in which I do not concur.

The objection No. 3 (4) relates to an error in an amount of £100 having been credited to the Estate Account, instead of to the Investment Account. The error was, as usual, properly adjusted by a cross entry.

The objection No. 4 is a good one. I did overlook the fact that the placing of a sum of money in Government securities was, in strict accordance with the law, an investment of the money. The Board's intelligible function, however, is more to deal with investments in which there may be a risk than with such a transaction. Mr. FitzGerald is right to call attention to the informality, in order that the omission may be supplied; but I do think the matter very trumpery for the purpose of charges so serious as those contained in his report. The money may be said to have been lodged with the Treasury instead of at the bank, at a better rate of interest than the bank could give, and until a more profitable investment could be found.

The interest was lowered in one case, if not in two cases, without the authority of the Board; the fact being that, until I saw Mr. FitzGerald's report, and I had asked my solicitor, I was not aware of the authority being necessary. But this is a case of much the same character as the preceding one.

The objection (5) to an overdraft which, as Mr. FitzGerald states, "only appears so from neglect to transfer," &c., is due to the analysis not yet having been satisfactorily completed of the so-called "Globo" Account, which belongs to the old arrangement, which there was not time to satisfactorily unravel, and which it is prudent to unravel before any transfer is made.

The objection (6) is to the case of an error discovered and adjusted before the balance-sheet was prepared, and in the regular course. The objection appears to be one of method, and, though the error is one which should properly go to make up the balance of errors for the adjustment of the balance-sheet, the making of such an insignificant error a ground for a serious charge carries the refutation.

Objection No. 7 is correctly stated. Two accounts are not kept in accordance with the regulations, because, as Mr. FitzGerald well knows, it is impossible, until the law is altered, to clearly define what moneys should go into the common fund. Mr. FitzGerald ought to have pointed out this, and, in doing so, that a large number of the provisions of the statutes themselves relating to the Public Trust Office have become impracticable, and that these statutes ought to be consolidated and amended.

Objection No. 8 is one that proves Mr. FitzGerald to have little knowledge of the arrangements. There are registers showing the interest payable. There is an account showing the total amount of interest received. There are summaries showing the amount of interest allowed to each separate account in the office quarterly.

Before I proceed to remark on the other objections of Mr. FitzGerald, it will be expedient to quote his report on the balance-sheet for 1892, and my minute on that report:—

"REPORT on the BALANCE-SHEET of the PUBLIC TRUST OFFICE for the Year 1892.

"THIS balance-sheet has been examined and found correct except as regards the Investment Account, which is stated to amount to £551,100 14s. 9d. This includes the sum of £276,393 8s. 6d. of mortgage securities; but the sums for which the office holds security appear to be incorrectly stated in the following cases: (1.) The mortgage is for £400; but the property has been sold, and £145 remains on mortgage: £230 should be written off to deficiencies on realisation of mortgages. (2.) The mortgage is for £300; but the mortgage has been discharged. (3.) The mortgage is for £150, of which £50 has been repaid. (4.) The mortgage is for £6,807 8s. 3d.; but, part of the land having been sold, the value of the security is only £5,335 11s. 7d. (5.) The mortgage is for £350;